

CEDAR FAIR L P

FORM 10-Q (Quarterly Report)

Filed 11/16/94 for the Period Ending 10/02/94

Address	ONE CEDAR POINT DRIVE SANDUSKY, OH 44870
Telephone	4196260830
CIK	0000811532
Symbol	FUN
SIC Code	7990 - Miscellaneous Amusement And Recreation
Industry	Recreational Activities
Sector	Services
Fiscal Year	12/31

CEDAR FAIR L P

FORM 10-Q (Quarterly Report)

Filed 11/16/1994 For Period Ending 10/2/1994

Address	P O BOX 5006 SANDUSKY, Ohio 44871
Telephone	419-626-0830
CIK	0000811532
Industry	Recreational Activities
Sector	Services
Fiscal Year	12/31

FORM 10 - Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR (d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended October 2, 1994

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____.

Commission file number 1-9444

CEDAR FAIR, L.P.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

34-1560655
(I.R.S. Employer
Identification No.)

P.O. BOX 5006, Sandusky, Ohio 44871-8006

(Address of principal executive offices)

(zip code)

(419) 626-0830

(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X NO

Title of Class
Depository Units
(Representing Limited Partner
Interests)

Units Outstanding As Of
November 1, 1994
22,240,208

CEDAR FAIR, L.P.

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PART I - FINANCIAL INFORMATION

Item 1. - Financial Statements

CEDAR FAIR, L.P.

CONSOLIDATED BALANCE SHEETS

[CAPTION]	10/2/94	12/31/93
(In thousands)		
[S]	[C]	[C]
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 5,930	\$ 228
Receivables	7,868	1,154
Inventories	3,126	3,502
Prepays	1,107	2,003
	18,031	6,887
Land, Buildings and Equipment:		
Land	22,675	22,665
Land improvements	31,364	26,937
Buildings	70,254	69,923
Rides and equipment	174,428	158,525
Construction in progress	572	8,950
	299,293	287,000
Less accumulated depreciation	(98,937)	(87,389)
	200,356	199,611
Intangibles, net of amortization	11,561	11,861
	\$229,948	\$218,359
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 6,518	\$ 5,033
Distribution payable to partners	12,636	11,232
Accrued interest	541	1,341
Accrued taxes	2,063	2,632
Accrued salaries, wages and benefits	8,871	5,471
Self insurance reserves	6,374	4,184
Other accrued liabilities	3,992	1,699
	40,995	31,592
Borrowed Funds:		
Revolving credit loans	-	36,800
Term debt	50,000	50,000
	50,000	86,800
Partners' Equity:		
Special L.P. interests	5,290	5,290
General partners	628	238
Limited partners, 22,240,208 units outstanding	133,035	94,439
	138,953	99,967
	\$229,948	\$218,359

The accompanying Notes to Consolidated Financial Statements are an integral part of these balance sheets.

CEDAR FAIR, L.P.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands except per unit data)

[CAPTION]

	Three months ended		Twelve months ended	
	10/2/94	10/3/93	10/2/94	10/3/93

[S]	[C]	[C]	[C]	[C]
Net revenues	\$ 142,053	\$ 127,015	\$ 198,229	\$ 178,786
Costs and expenses:				
Cost of products sold	14,571	13,383	21,083	19,457
Operating expenses	34,214	30,531	72,166	66,558
Selling, general and administrative	10,854	9,927	21,814	21,014
Depreciation and amortization	9,197	8,767	14,976	14,448

	68,836	62,608	130,039	121,477

Operating income	73,217	64,407	68,190	57,309
Interest expense, net	2,354	1,636	7,399	6,645
Insurance claim settlements	524	-	2,124	-
Deferred tax credit	-	11,000	-	11,000

Net income	71,387	73,771	62,915	61,664
Net income allocated to general partners	714	738	629	617
Net income allocated to limited partners	\$ 70,673	\$ 73,033	\$ 62,286	\$ 61,047

Weighted average limited partner units outstanding	22,262	22,251	22,261	22,250

Net income per limited partner unit	\$ 3.17	\$ 3.28	\$ 2.80	\$ 2.74

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

CEDAR FAIR, L.P.
CONSOLIDATED STATEMENTS OF PARTNERS' EQUITY
(In thousands)

[CAPTION]

	Special L.P. Interests	General Partners' Equity	Limited Partners' Equity	Total Partners' Equity
[S]	[C]	[C]	[C]	[C]
Balance at December 31, 1993	\$ 5,290	\$ 238	\$ 94,439	\$ 99,967
Allocation of net loss	-	(100)	(9,939)	(10,039)
Distribution declared (\$.50 per limited partner unit)	-	(112)	(11,120)	(11,232)
Balance at March 27, 1994	5,290	26	73,380	78,696
Allocation of net income	-	127	12,611	12,738
Distribution declared (\$.50 per limited partner unit)	-	(113)	(11,119)	(11,232)
Balance at June 26, 1994	5,290	40	74,872	80,202
Allocation of net income	-	714	70,673	71,387
Distribution declared (\$.5625 per limited partner unit)	-	(126)	(12,510)	(12,636)
Balance at October 2, 1994	\$ 5,290	\$ 628	\$ 133,035	\$ 138,953

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

CEDAR FAIR, L.P.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

[CAPTION]	Three months ended		Twelve months ended	
	10/2/94	10/3/93	10/2/94	10/3/93
(In thousands)				
[S]	[C]	[C]	[C]	[C]
CASH FLOWS FROM (FOR) OPERATING ACTIVITIES				
Net income	\$ 71,387	\$ 73,771	\$ 62,915	\$ 61,664
Adjustments to reconcile net income to net cash from operating activities				
Depreciation and amortization	9,197	8,767	14,976	14,448
Deferred tax credit	-	(11,000)	-	(11,000)
Decrease (increase) in inventories	5,734	5,354	143	(18)
Decrease (increase) in current and other assets	1,482	1,252	(2,074)	12
Increase (decrease) in accounts payable	(11,041)	(6,399)	387	294
Increase in other current liabilities	2,206	874	5,229	2,233
Net cash from operating activities	78,965	72,619	81,576	67,633
CASH FLOWS FROM (FOR) INVESTING ACTIVITIES				
Capital expenditures	(2,162)	(5,429)	(20,619)	(20,984)
Net cash (for) investing activities	(2,162)	(5,429)	(20,619)	(20,984)
CASH FLOWS FROM (FOR) FINANCING ACTIVITIES				
Net payments on revolving credit loans	(64,000)	(58,100)	(11,000)	(4,900)
Distributions paid to partners	(11,232)	(10,390)	(44,930)	(41,560)
Net cash (for) financing activities	(75,232)	(68,490)	(55,930)	(46,460)
Cash and cash equivalents:				
Net increase (decrease) for the period	1,571	(1,300)	5,027	189
Balance, beginning of period	4,359	2,203	903	714
Balance, end of period	\$ 5,930	\$ 903	\$ 5,930	\$ 903
SUPPLEMENTAL INFORMATION				
Cash payments for interest expense	\$ 3,048	\$ 2,821	\$ 6,922	\$ 6,722

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTERS ENDED
OCTOBER 2, 1994 AND OCTOBER 3, 1993**

The accompanying consolidated financial statements have been prepared from the the financial records of Cedar Fair, L.P. (the Partnership) without audit and reflect all adjustments which are, in the opinion of management, necessary to fairly present the results of the interim periods covered in this report.

Due to the highly seasonal nature of the Partnership's amusement park operations, the results for any interim period are not indicative of the results to be expected for the full fiscal year. Accordingly, the partnership has elected to present financial information regarding operations for the preceding twelve month periods ended October 2, 1994 and October 3, 1993 to accompany the quarterly results. Because amounts for the 12 months ended October 2, 1994 include actual 1993 fourth quarter operations, they are not necessarily indicative of 1994 full calendar year operations.

The current operating results for the three and twelve month periods include nonrecurring gains of \$0.5 million and \$1.6 million relating to insurance claims for winter storm damage at the Pennsylvania park in 1994 and flood damage and business interruption losses at the Minnesota park in 1993. The Partnership's operating results for the three and twelve months ended October 3, 1993, include a one-time, non-cash credit for deferred taxes of \$11 million resulting from 1993 changes in federal tax laws

(1) Significant Accounting and Reporting Policies

The Partnership's consolidated financial statements for the quarters ended October 2, 1994 and October 3, 1993 included in this Form 10-Q report have been prepared in accordance with the accounting policies described in the Notes to Consolidated Financial Statements for the year ended December 31, 1993 which were included in the Form 10-K filed on March 23, 1994. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission. These financial statements should be read in conjunction with the financial statements and the notes thereto included in the Form 10-K referred to above.

(2) Interim Reporting

The Partnership operates three amusement parks (Cedar Point in Sandusky, Ohio, Valleyfair in Shakopee, Minnesota and Dorney Park and Wildwater Kingdom near Allentown, Pennsylvania), all of which are open to the public from early May to early October. These parks generate virtually all of the Partnership's annual revenue with the major portion concentrated in the third quarter during the peak vacation months of July and August.

To assure that these highly seasonal operations will not result in misleading comparisons of current and subsequent interim periods, the Partnership has adopted the following reporting procedures: (a) depreciation, advertising and certain seasonal operating costs are expensed ratably during the operating season, including certain costs incurred prior to the season and amortized over the season and (b) all other costs are expensed as incurred or ratably over the entire year.

(3) Borrowed Funds:

Revolving Credit Loans - In October 1994, the Partnership entered into a revised revolving credit agreement with the same banks under which it will have available credit of \$95 million through April 30, 1997. Borrowings under this new agreement bear interest at the banks' prime lending rate with LIBOR and other beneficial options. The agreement requires the Partnership to pay a commitment fee of 1/5% per annum on the daily unused portion of the credit. The Partnership, at its option, may make prepayments without penalty and reduce this loan commitment.

Term Debt - In August 1994, the Partnership refinanced its \$50 million in 9.15% senior notes and entered into a new note agreement for the issuance of \$50 million in 8.43% senior notes. In connection with this refinancing, the Partnership incurred a \$0.7 million prepayment penalty which is included in interest expense in the accompanying consolidated statements of operations for the three and twelve months ended October 2, 1994. The Partnership is required to make annual repayments of \$10 million in August 2002 through August 2006 and may make prepayments with defined premiums.

Covenants - Under the terms of the new credit agreements, the Partnership, among other restrictions, is required to maintain a specified minimum level of net tangible assets, as defined, and comply with certain cash flow, interest coverage, and debt to net worth limits.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

Net revenues at the Partnership's three amusement parks increased 12% to \$142.1 million for the quarter ended October 2, 1994 from \$127.0 million for the quarter ended October 3, 1993. On a combined basis this increase resulted from a 9% increase in attendance and a 3% increase in guest per capita spending. Operating income for the period increased to \$73.2 million, up 14% from \$64.4 million in 1993.

Net income for the quarter was \$71.4 million, or \$3.17 per limited partner unit, compared with \$73.8 million, or \$3.28 per unit, in 1993. The 1993 results include a one-time, non-cash credit for deferred taxes of \$11.0 million, or \$0.49 per unit, resulting from changes in the federal tax laws.

The operating results for the current period include a nonrecurring gain of \$0.5 million relating to an insurance settlement for winter storm damage at Dorney Park, offset by a \$0.7 million charge to interest expense for refinancing of long-term debt. Excluding nonrecurring items, net income for the quarter increased 14% to \$71.6 million, or \$3.18 per unit, from \$62.8 million, or \$2.79 per unit.

For the current quarter, attendance at all three parks was up compared to last year and Cedar Point achieved a record year, breaking its 1993 record by 8%. Favorable weather throughout the peak vacation months of July and August, together with the very successful debut of our Raptor inverted roller coaster, contributed to Cedar Point's record performance.

Included in costs and expenses are approximately \$970,000 of incentive fees payable to the managing general partner relating to the 1994 third quarter distribution, which exceeded the minimum distribution as defined in the partnership agreement by 24.00 cents per unit, or \$5.3 million in the aggregate. This compares to \$758,000 of incentive fees in the 1993 third quarter.

For the entire 1994 operating season, combined attendance at the Partnership's three parks was a record 5.9 million, up 7% from the previous year. Combined per capita spending also continued to rise, increasing 4% to a record \$30.69 for 1994 from \$29.55 in 1993. Cedar Point accounted for the majority of the attendance increase and the rest was attributed to Valleyfair, as it rebounded strongly from the effects of last year's prolonged rains and flooding. Attendance at Dorney Park was down slightly compared to last year, but we continue to believe that it has substantial long-term growth potential in both attendance and profitability.

Financial Condition

The Partnership's \$95 million revolving credit facility is adequate to meet seasonal working capital needs, planned capital expenditures and scheduled distributions. In our highly seasonal business with investment heavily concentrated in property and equipment, the negative working capital ratio of 2.3 at October 2, 1994 is financially advantageous. Current assets are at normal seasonal levels and credit facilities are in place to fund current liabilities as required.

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

Exhibits:

(A) Exhibit (10) Credit Agreement dated as of October 6, 1994 between Cedar Fair, L.P. and Society National Bank, NBD Bank, N.A. and National City Bank.

Exhibit (10.1) Private Shelf Agreement with Prudential Insurance Company of America dated August 24, 1994 and \$50,000,000, 8.43% Senior Note Due August 24, 2006.

Exhibit (27) Financial Data Schedules

(b) Reports on Form 8-K. None.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CEDAR FAIR, L.P.
(Registrant)

By Cedar Fair Management Company Managing General Partner

Date: November 9, 1994

By

Bruce A. Jackson

Bruce A. Jackson

Vice President

(Chief Financial Officer)

By

Charles M. Paul

Charles M. Paul

Controller

(Chief Accounting Officer)

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10.1 Private Shelf Agreement with Prudential Insurance 64 Company of America dated August 24, 1994 and \$50,000,000, 8.43% Senior Note Due August 24, 2006.

27 Financial Data Schedules 107

CREDIT AGREEMENT

by and among

CEDAR FAIR, L.P.

and

**SOCIETY NATIONAL BANK,
Individually and as Agent**

NBD BANK, N.A.

and

NATIONAL CITY BANK

Dated as of October 6, 1994

CEDAR FAIR, L.P.

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CREDIT AGREEMENT

Credit agreement made as of October 6, 1994, by and among CEDAR FAIR, L.P., a Delaware limited partnership ("Borrower") and the Banks referred to in Section 3 hereof and SOCIETY NATIONAL BANK as agent for the Banks for the purpose of this credit agreement.

1. CROSS REFERENCE. Certain terms used herein are defined in Section 17 hereof.

2. SUMMARY. This credit agreement (a) provides for Revolving Credit Loans during the Commitment Period in the aggregate amount of Ninety-Five Million Dollars (\$95,000,000) pursuant to the Commitments of the Banks, (b) contains the representations and warranties inducing the Banks to enter into this credit agreement, and (c) contains other provisions binding upon the parties.

3. REVOLVING CREDIT LOANS.

3.1. REVOLVING CREDIT LOANS. Subject to the terms and provisions of this credit agreement, each Bank severally agrees to make Revolving Credit Loans to Borrower during the Commitment Period in such aggregate amount as Borrower shall request, provided, however, that in no event shall the aggregate principal amount of all Revolving Credit Loans and commercial letters of credit outstanding under this credit agreement exceed Ninety-Five Million Dollars (\$95,000,000); and further provided that (a) all Revolving Credit Loans shall mature on the last day of the Commitment Period, and (b) in no event shall the aggregate unpaid principal balance of each Bank's Revolving Credit Loans and its pro rata share of commercial letters of credit outstanding hereunder at any time exceed the amount set forth opposite that Bank's name immediately below:

Bank	Amount of Commitment	Percent of Total Commitments
-----	-----	-----
SOCIETY NATIONAL BANK	\$38,000,000	40%
NBD BANK, N.A.	\$28,500,000	30%
NATIONAL CITY BANK	\$28,500,000	30%

Each borrowing by Borrower pursuant to this subsection 3.1 shall be divided ratably among the Banks in accordance with their respective Percent of Total Commitments indicated above. Borrower shall have the

option, subject to the terms and conditions set forth herein, to borrow hereunder by means of any combination of (i) Prime Rate Loans bearing interest at a rate per annum which shall be the Prime Rate and drawn down in aggregate amounts of not less than Three Hundred Thousand Dollars (\$300,000) or an integral multiple of One Hundred Thousand Dollars (\$100,000) in excess of Three Hundred Thousand Dollars (\$300,000), (ii) LIBOR Loans drawn down in aggregate amounts of not less than One Million Dollars (\$1,000,000) or an integral multiple of One Hundred Thousand Dollars (\$100,000) in excess of One Million Dollars (\$1,000,000), bearing interest at a rate per annum which shall be the Adjusted LIBOR plus the applicable LIBOR Margin, (iii) Domestic Fixed Rate Loans drawn down in aggregate amounts of not less than One Million Dollars (\$1,000,000) or an integral multiple of One Hundred Thousand Dollars (\$100,000) in excess of One Million Dollars (\$1,000,000), bearing interest at a rate per annum equal to the applicable Domestic Fixed Rate, (iv) Transaction Loans drawn down in aggregate amounts of not less than Three Million Dollars (\$3,000,000) or an integral multiple of One Hundred Thousand Dollars (\$100,000) in excess thereof if the Transaction Interest Period selected by Borrower with respect to that loan is seven (7) days or less, bearing interest at a rate per annum which shall be equal to the applicable Transaction Rate, or (v) Transaction Loans drawn down in aggregate amounts of not less than Two Million Dollars (\$2,000,000) or an integral multiple of One Hundred Thousand Dollars (\$100,000) in excess thereof if the Transaction Interest Period selected by Borrower with respect to that loan is more than seven (7) days, bearing interest at a rate per annum which shall be equal to the applicable Transaction Rate. In the case of LIBOR Loans, Domestic Fixed Rate Loans and Transaction Loans, Borrower shall specify at the time of the request for such loans the applicable Interest Period, Domestic Interest Period or Transaction Interest Period, as the case may be, which period shall not in any event extend beyond the last day of the Commitment Period.

Borrower shall pay interest (based on a year having 365 or 366 days, as the case may be, and calculated for the actual number of days elapsed) on the unpaid principal amount of Prime Rate Loans outstanding from time to time from the date thereof until paid, payable on the last day of each month of each year and at the maturity thereof, commencing July 31, 1994, at a rate per annum which shall be the Prime Rate from time to time in effect. Borrower shall pay interest (based on a year having 360 days and calculated for the actual number of days elapsed) at a fixed rate for each Interest Period on the unpaid principal amount of LIBOR Loans outstanding from time to time from the date thereof until paid, payable on each Interest Adjustment Date with respect to an Interest Period [provided that if an Interest Period exceeds three (3) months, the interest must be paid every three (3) months from the beginning of such Interest Period], at the rate per annum which shall be five-eighths of one percent (.625%) in excess of Adjusted LIBOR fixed in advance of each Interest Period as herein provided for each such Interest Period. Borrower shall pay interest (based on a year having 360 days and calculated for the actual number of days elapsed) at a fixed rate for each Domestic Interest Period on the unpaid principal amount of

Domestic Fixed Rate Loans outstanding from time to time from the date thereof until paid, payable on each Interest Adjustment Date with respect to a Domestic Interest Period, at a rate per annum equal to the applicable Domestic Fixed Rate, fixed in advance of each Domestic Interest Period as herein provided for each such Domestic Interest Period; provided, that if a Domestic Interest Period exceeds ninety (90) days, the interest must be paid every ninety (90) days from the beginning of such Domestic Interest Period. Borrower shall pay interest (based on a year having 360 days and calculated for the actual number of days elapsed) at a fixed rate for each Transaction Interest Period, on the unpaid principal amount of Transaction Loans outstanding from time to time from the date thereof until paid, payable on each Interest Adjustment Date with respect to a Transaction Interest Period, at a rate per annum equal to the applicable Transaction Rate, fixed in advance of each Transaction Interest Period as herein provided for each such Transaction Interest Period.

At the request of Borrower, provided, no event of default exists hereunder, the Banks shall convert Prime Rate Loans to LIBOR Loans, Domestic Fixed Rate Loans or Transaction Loans at any time, and shall convert LIBOR Loans, Domestic Fixed Rate Loans or Transaction Loans to any other type of loans permitted by this Subsection 3.1, (a) on any Interest Adjustment Date applicable to the LIBOR Loan, Domestic Fixed Rate Loan or Transaction Loan, as the case may be, without penalty, or (b) at any other time with respect to a conversion of a Domestic Fixed Rate Loan or a LIBOR Loan to any other type of loans permitted by this Subsection 3.1, upon payment by Borrower to the Banks of an amount equal to the amount of prepayment penalty which would be required to be paid pursuant to Section 6 (it being understood, however, that in no event shall a Transaction Loan be converted to any other type of loans permitted hereunder other than on an Interest Adjustment Date applicable to such Transaction Loan). In the case of LIBOR Loans, Domestic Fixed Rate Loans and Transaction Loans at the expiration of the applicable Interest Period, Domestic Interest Period or Transaction Interest Period, as the case may be, such LIBOR Loans, Domestic Fixed Rate Loans or Transaction Loan shall automatically convert to Prime Rate Loans unless Borrower shall have requested otherwise no less than three (3) London banking days prior to such date with respect to LIBOR Loans, and one (1) Cleveland banking day prior to such date with respect to Domestic Fixed Rate Loans and Transaction Loans. Each request for loans under this Subsection 3.1 must either be for Prime Rate Loans or Domestic Fixed Rate Loans or LIBOR Loans or Transaction Loans.

The obligation of Borrower to repay the Prime Rate Loans, Domestic Fixed Rate Loans, LIBOR Loans and Transaction Loans made by each Bank pursuant to this Subsection 3.1 and to pay interest thereon shall be evidenced by a Revolving Credit Note of Borrower substantially in the form of Exhibit A hereto, with appropriate insertions, dated the date of this credit agreement and payable to the order of such Bank on the last day of the Commitment Period in the principal amount of its Commitment, or if less, the aggregate unpaid principal amount of Revolving Credit Loans made hereunder by such

Bank. The principal amount of the Prime Rate Loans, Domestic Fixed Rate Loans, LIBOR Loans and Transaction Loans made by each Bank and prepayments thereof and the applicable dates with respect thereto shall be recorded by such Bank from time to time on the grid(s) attached to such Revolving Credit Note or such Bank shall record such information by such other method as such Bank may generally employ; provided, however, that failure to make any such entry shall in no way detract from Borrower's obligations under such Note. The aggregate unpaid amount of Prime Rate Loans, Domestic Fixed Rate Loans, LIBOR Loans and Transaction Loans set forth on the grid(s) attached to each Revolving Credit Note shall be rebuttably presumptive evidence of the principal amount owing and unpaid on such Revolving Credit Note. If any Revolving Credit Note shall not be paid at maturity, whether such maturity occurs by reason of lapse of time or by operation of any provision of acceleration of maturity therein contained, the principal thereof and the unpaid interest accrued thereon through the date of maturity shall bear interest, from the date of maturity until paid, for Prime Rate Loans, Domestic Fixed Rate Loans, LIBOR Loans and Transaction Loans at a rate per annum which shall be two percent (2%) in excess of the Prime Rate from time to time in effect. Subject to the provisions of this credit agreement, Borrower shall be entitled under this Subsection 3.1 to borrow funds as Revolving Credit Loans, repay the same in whole or in part and reborrow under this Subsection at any time and from time to time.

3.2. COMMERCIAL LETTERS OF CREDIT. So long as the Revolving Credit remains in effect, but subject to the conditions of this credit agreement, Agent shall issue commercial letters of credit upon the application, and for the benefit, of Borrower, provided however that each such commercial letter of credit (a) shall aggregate, along with all other commercial letters of credit issued and outstanding hereunder at any given time, in an amount not exceeding \$5,000,000, (b) shall be documented with and on the Agent's standard form applications, notes, agreements and other writings for commercial letters of credit and (c) shall have a maturity date which is no later than the latest of (i) 180 days after issuance, or (ii) the date on which the Revolving Credit Loans mature. Borrower will not request Agent to issue any commercial letter of credit hereunder, nor shall the Agent be obligated to honor any such request, if any Possible Default or Event of Default shall then exist or thereupon would begin to exist hereunder. Each application for commercial letters of credit by Borrower hereunder shall, in and of itself, constitute a continuing representation and warranty by Borrower to the Banks that this credit agreement entitles Borrower to request the issuance of the commercial letter of credit in question. Except as otherwise specifically provided for herein, each commercial letter of credit issued under this credit agreement shall be considered to be a Revolving Loan and shall, among other things, reduce the amount of the available Revolving Credits hereunder by an amount equal to the face amount of that commercial letter of credit. Borrower shall pay to the Agent for the pro rata benefit of the Banks a fee for each commercial letter of credit issued hereunder (a "L/C Fee"), the L/C Fee with respect to any

given commercial letter of credit (y) to be calculated by multiplying one-half percent (.5%) of the face amount of the commercial Letter of Credit by a fraction, the numerator of which shall be equal to the actual number of days the commercial letter of credit remains outstanding and the denominator of which shall be 360 , and (z) to be payable on the earlier of the date on which there is a draw upon that commercial letter of credit or the stated termination date of that letter of credit. In addition to the L/C Fee, Borrower shall pay the administrative fees customarily charged by the Agent with respect to commercial letters of credit (an "Administrative Fee"), such Administrative Fees to be retained by, and for the sole benefit of, the Agent. The risk associated with each commercial letter of credit shall be shared pro rata by each of the Banks.

If any event of default or any Possible Default shall occur under this credit agreement, the Banks shall (in addition to any other right, power or privilege which they may have by contract, law or at equity) be entitled to require that Borrower, and Borrower shall promptly, deposit with the Agent an amount of money equal to the aggregate of all commercial letters of credit (if any) then outstanding , which monies (a) shall be held by the Agent in an escrow or similar account for the benefit of the Banks, (b) shall secure all of the Debt, (c) shall be applied by the Banks at such time and to payment of such of the Debt (whether resulting from a draw upon a commercial letter of credit or otherwise) as the Banks may solely determine, and (d) if there be any such monies remaining on deposit with the Agent after satisfaction in full of all of the Debt, shall be promptly returned to Borrower without interest.

3.3. VOLUNTARY REDUCTION OF COMMITMENTS. Borrower may at any time or from time to time terminate in whole or ratably in part the Commitments of the Banks hereunder to an amount not less than the aggregate principal amount of the Revolving Credit Loans and commercial letters of credit then outstanding, by giving the Agent not less than three (3) Cleveland banking days' notice; provided that any such partial termination shall be in the aggregate amount for all the Banks of at least One Million Dollars (\$1,000,000) or any integral multiple of One Hundred Thousand Dollars (\$100,000) in excess of One Million Dollars (\$1,000,000). The Agent shall promptly notify each Bank of its proportionate amount and the date of each such termination. After each such termination, the commitment fees payable under Section 7 hereof shall be calculated upon the Commitments of the Banks as so reduced. If Borrower terminates in whole the Commitments of the Banks, on the effective date of such termination (there being no outstanding commercial letters of credit and Borrower having prepaid in full the unpaid principal balance, if any, of the Revolving Credit Notes outstanding together with all interest (if any) and all fees accrued and unpaid) all of the Revolving Credit Notes outstanding shall be delivered to the Agent marked "cancelled" and redelivered to Borrower. Any partial reduction in the Commitments of the Banks shall be permanent during the remainder of the Commitment Period. Any prepayments made under this Subsection 3.3 shall be subject to the prepayment penalties set forth in Section 6 hereof.

3.4. EXTENSION. The Banks, in their absolute and sole discretion, may upon Borrower's request, extend the Commitment Period for successive one-year periods. The first of such requests by Borrower shall be in writing addressed to the Agent and shall be made not less than thirty (30) days prior to April 30, 1995. Any subsequent request for an extension of the Commitment Period shall likewise be made to the Agent not less than thirty (30) days prior to the next succeeding April 30 in the applicable year. If any such request is granted by the Banks, the Commitment Period shall be automatically extended to the date of such extension, without the making or doing of any further act or thing whatsoever. No such extension shall be effective unless consented to in writing by all of the Banks.

4. CONDITIONS TO LOANS. The obligation of each Bank to make the loans and of the Agent to issue letters of credit hereunder is conditioned, in the case of each borrowing hereunder, upon (i) receipt by the Agent of one (1) Cleveland banking day's notice from Borrower of the proposed date and aggregate amount of the borrowing of any Prime Rate Loans, one (1) Cleveland banking day's notice from Borrower of the proposed date, aggregate amount and initial Domestic Interest Period for any Domestic Fixed Rate Loans, one (1) Cleveland banking day's notice from Borrower of the proposed date, aggregate amount and initial Transaction Interest Period for any Transactions Loans, and three (3) London banking days' notice from Borrower of the proposed date, aggregate amount and initial Interest Period of any LIBOR Loans, of which date, amount and initial Interest Period or initial Domestic Interest Period or initial Transaction Interest Period (if applicable) the Agent shall notify each Bank promptly upon the receipt of such notice, and on which date each Bank shall provide the Agent not later than 2:00 p.m. Cleveland time, with the amount in Federal or other immediately available funds, required of it; (ii) the fact that no Possible Default shall then exist or immediately after the loan or any letter of credit would exist; (iii) the fact that as to loans, no litigation or proceeding is pending against Borrower or any Subsidiary which is likely to cause an event of default hereunder, except that this condition shall not apply to rollovers of existing loans; and (iv) the fact that the representations and warranties contained in Section 12 hereof shall be true and correct in all material respects with the same force and effect as if made on and as of the date of such borrowing except to the extent that any thereof expressly relate to an earlier date. Each borrowing by Borrower hereunder shall be deemed to be a representation and warranty by Borrower as of the date of such borrowing as to the facts specified in (ii), (iii) and (iv) above. The Agent shall promptly notify Borrower in writing (with a copy to each of the Banks) of the applicable interest rate pertaining to each loan obtained hereunder (other than Prime Rate Loans). In addition to the above, the obligation of each Bank to make the initial loans hereunder shall be conditioned upon all loans by the Banks to Borrower pursuant to the credit agreement referred to in Section 19 hereof (and all fees accruing on or with respect to such credit agreement) having been repaid in full.

5. PAYMENT ON NOTES, ETC. All payments of principal, interest, L/C Fees and commitment fees shall be made to the Agent in immediately available funds for the account of the Banks, and the Agent forthwith shall distribute to each Bank its ratable share of the amount of principal, interest and such fees received by it for the account of such Bank. Each Bank shall endorse each Note held by it with appropriate notations evidencing each payment of principal made thereon or shall record such principal payment by such other method as such Bank may generally employ; provided, however, that failure to make any such entry shall in no way detract from Borrower's obligations under each such Note. Whenever any payment to be made hereunder, including without limitation any payment to be made on any Note, shall be stated to be due on a day which is not a Cleveland banking day, such payment shall be made on the next succeeding Cleveland banking day and such extension of time shall in each case be included in the computation of the interest payable on such Note; provided, however, that with respect to any LIBOR Loan, if the next succeeding Cleveland banking day falls in the succeeding calendar month, such payment shall be made on the preceding Cleveland banking day and the relevant Interest Period shall be adjusted accordingly.

6. VOLUNTARY PREPAYMENTS. Borrower shall have the right at any time or from time to time, upon one (1) Cleveland banking days' prior written notice to the Agent in the case of Prime Rate Loans, without the payment of any premium or penalty, or four (4) London banking days' prior written notice in the case of LIBOR Loans (subject to the payment of a prepayment penalty as hereinafter described in this Section 6), or two (2) Cleveland banking days' prior written notice in the case of Domestic Fixed Rate Loans (subject to the payment of a prepayment penalty as hereinafter described in this Section 6), to prepay on a pro rata basis, all or any part of the principal amount of the Notes then outstanding as designated by Borrower, plus interest accrued on the amount so prepaid to the date of such prepayment. In any case of prepayment of any LIBOR Loans, Borrower agrees that if Adjusted LIBOR as determined as of 11:00 a.m. London time, two (2) London banking days prior to the date of prepayment of any LIBOR Loans (hereinafter, "Prepayment LIBOR") shall be lower than the last Adjusted LIBOR previously determined for those LIBOR Loans with respect to which prepayment is intended to be made (hereinafter, "Last LIBOR"), then Borrower shall, upon written notice by the Agent, promptly pay to the Agent, for the account of each of the Banks, in immediately available funds, a prepayment penalty measured by a rate (the "Prepayment Penalty Rate") which shall be equal to the difference between the Last LIBOR and the Prepayment LIBOR. In determining the Prepayment LIBOR, Agent shall apply a rate for each Bank equal to Adjusted LIBOR for a deposit approximately equal to each Bank's portion of such prepayment which would be applicable to an Interest Period commencing on the date of such prepayment and having a duration as nearly equal as practicable to the remaining duration of the actual Interest Period during which such prepayment is to be made. The Prepayment Penalty Rate shall be applied to all or such part of the principal amounts of the Notes as related to the LIBOR Loans to be prepaid, and the prepayment penalty shall be computed for the period commencing with the date on which such prepayment is to be made to that date which coincides with the last day of the Interest Period previously established when the LIBOR Loans, which are to be prepaid, were

made. Each prepayment of a LIBOR Loan shall be in the aggregate principal sum of not less than One Million Dollars (\$1,000,000) (except in the case of a LIBOR Loan prepaid pursuant to Section 8 hereof).

In the event Borrower cancels a proposed LIBOR Loan subsequent to the delivery to the Agent of the notice of the proposed date, aggregate amount and initial Interest Period of such loan, but prior to the draw down of funds thereunder, and such cancellation shall not be as a result of any change in law making the funding of such LIBOR Loan unlawful, such cancellation shall be treated as a prepayment subject to the aforementioned prepayment penalty; provided that in no event shall such prepayment penalty exceed the actual costs incurred by the Banks as a result of such cancellation.

In the event any Domestic Fixed Rate Loan is prepaid, Borrower agrees that if the Domestic Fixed Rate as determined as of 11:00 a.m. Cleveland time, one (1) Cleveland banking day prior to the date of prepayment of any Domestic Fixed Rate Loans (hereinafter, "Prepayment Domestic Fixed Rate") shall be lower than the last Domestic Fixed Rate previously determined for those Domestic Fixed Rate Loans with respect to which prepayment is intended to be made (hereinafter, "Last Domestic Fixed Rate"), then Borrower shall, upon written notice by the Agent, promptly pay to the Agent, for the account of each of the Banks, in immediately available funds, a prepayment penalty measured by a rate (the "Prepayment Domestic Penalty Rate") which shall be equal to the difference between the Last Domestic Fixed Rate and the Prepayment Domestic Fixed Rate. In determining the Prepayment Domestic Fixed Rate, Agent shall apply the Domestic Fixed Rate which would be applicable to each Bank's portion of a Domestic Fixed Rate Loan approximately equal to the amount of such prepayment to each Bank having a Domestic Interest Period commencing on the date of such prepayment and having a duration as nearly equal as practicable to the remaining duration of the actual Domestic Interest Period during which such prepayment is to be made. The Prepayment Domestic Penalty Rate shall be applied to all or such part of the principal amounts of the Notes as related to the Domestic Fixed Rate Loans to be prepaid, and the prepayment penalty shall be computed for the period commencing with the date on which such prepayment is to be made to the date which coincides with the last day of the Domestic Interest Period previously established when the Domestic Fixed Rate Loans, which are to be prepaid, were made. In the event Borrower cancels a proposed Domestic Fixed Rate Loan subsequent to the delivery to the Agent of the notice of the proposed date, aggregate amount and initial Domestic Interest Period of such loan, but prior to the draw down of funds thereunder, such cancellation shall be treated as a prepayment subject to the aforementioned prepayment penalty. A statement as to any such loss, cost or expense shall be promptly submitted by each Bank to Borrower and shall, in the absence of manifest error, be conclusive and binding as to the amount thereof. Notwithstanding anything to the contrary contained in this Section 6, in no event shall any prepayment of any LIBOR Loan or Domestic Fixed Rate Loan which is made on the applicable Interest Adjustment Date be subject to any prepayment penalty. In no event shall any prepayment of any Transaction Loan occur on a date other than the applicable Interest Adjustment Date.

7. COMMITMENT FEES; AGENT'S FEE. So long as the Commitments remain in effect, each Bank shall be entitled to receive from Borrower, on a quarterly basis, a commitment fee (based on a year having 360 days and calculated for the actual number of days elapsed) which shall be computed at the rate of one-fifth percent (1/5 of 1%) per annum on the average daily difference between the amount of that Bank's Commitment from time to time in effect and the unpaid principal balance of that Bank's Revolving Credit Note then outstanding; it being understood that for the purposes of this

Section 7, a Bank's pro rata share of outstanding letters of credit under this credit agreement shall be considered an outstanding loan and, as such, shall not be the subject of a commitment fee hereunder. Notwithstanding the foregoing, during the period July 31 to December 31 of each year (the "Inactive Period"), the commitment fees on Fifty Million Dollars (\$50,000,000) of the unused Commitments (the "Inactive Commitments"), shall be computed at the rate of one-eighth percent (1/8%) per annum (not one-fifth percent (1/5%) per annum); provided, however, that if the unused portion of the aggregate Commitments ("Unused Commitments") is ever less than Fifty Million Dollars (\$50,000,000) during the Inactive Period, the commitment fees during the lesser of (i) the number of days from the beginning of the Inactive Period through the first day in which the Unused Commitments became less than Fifty Million Dollars (\$50,000,000), or (ii) ninety (90) days, shall be computed at the rate of one-fifth percent (1/5%) per annum, and Borrower shall promptly pay the Banks any such differential in commitment fees previously paid the Banks. After the first day in which the Unused Commitments become less than Fifty Million Dollars (\$50,000,000), the commitment fees shall be computed at the rate of one-fifth percent (1/5%) per annum. Borrower shall pay the commitment fee to the Banks on the 30th day of September, 1994, and quarter-annually thereafter and at the expiration of the Commitments.

In addition to the aforesaid commitment fees, Borrower shall pay an annual Agent's fee in the amount of Seven Thousand Five Hundred Dollars (\$7,500) to the Agent for its sole benefit, which fee shall be paid on the date of this credit agreement and annually thereafter.

8. ADDITIONAL PROVISIONS RELATING TO LIBOR LOANS.

8.1. RESERVES OR DEPOSIT REQUIREMENTS, ETC. If at any time any law, treaty or regulation (including, without limitation, Regulation D of the Board of Governors of the Federal Reserve System) or the interpretation thereof by any governmental authority charged with the administration thereof or any central bank or other fiscal, monetary or other authority shall impose (whether or not having the force of law), modify or deem applicable any reserve and/or special deposit requirement (other than reserves included in the Reserve Percentage, the effect of which is reflected in the interest rate(s) of the LIBOR Loan(s) in question) against assets held by, or deposits in or for the amount of any loans by, any Bank, and the result of the foregoing is to increase the cost (whether by incurring a cost or adding to a cost) to such Bank of making or maintaining hereunder LIBOR Loans or to reduce the amount of principal or interest received by such Bank with respect to such LIBOR Loans, then within thirty (30) days following

demand by such Bank, Borrower shall pay to such Bank from time to time on Interest Adjustment Dates with respect to such loans, as additional consideration hereunder, additional amounts sufficient to fully compensate and indemnify such Bank for such increased cost or reduced amount, assuming (which assumption such Bank need not corroborate) such additional cost or reduced amount were allocable to such LIBOR Loans. A certificate as to the increased cost or reduced amount as a result of any event mentioned in this Section 8.1, setting forth the calculations therefor, shall be promptly submitted by such Bank to Borrower and shall, in the absence of manifest error, be rebuttably presumptive evidence as to the amount thereof. Notwithstanding any other provision of this credit agreement, after any such demand for compensation by any Bank, Borrower, upon at least two (2) Cleveland banking days' prior written notice to such Bank through the Agent, may prepay all LIBOR Loans in full or convert all LIBOR Loans to Prime Rate Loans regardless of the Interest Period of any thereof. Any such prepayment or conversion shall be subject to the prepayment penalties set forth in Section 6 hereof. Each Bank will notify Borrower as promptly as practicable (with a copy thereof delivered to the Agent) of the existence of any event which will likely require the payment by Borrower of any such additional amount under this Section.

8.2. TAX LAW, ETC. In the event that by reason of any law, regulation or requirement or in the interpretation thereof by an official authority, or the imposition of any requirement of any central bank whether or not having the force of law, any Bank shall, with respect to this credit agreement or any transaction under this credit agreement, be subjected to any tax, levy, impost, charge, fee, duty, deduction or withholding of any kind whatsoever (other than any tax imposed upon the total net income of such Bank) and if any such measures or any other similar measure shall result in an increase in the cost to such Bank of making or maintaining any LIBOR Loan or in a reduction in the amount of principal or interest or commitment fee receivable by such Bank in respect thereof, then such Bank shall promptly notify Borrower stating the reasons therefor. Borrower shall thereafter pay to such Bank within thirty (30) days following demand from time to time on Interest Adjustment Dates with respect to such LIBOR Loans, as additional consideration hereunder, such additional amounts as will fully compensate such Bank for such increased cost or reduced amount. A certificate as to any such increased cost or reduced amount, setting forth the calculations therefor, shall be submitted by such Bank to Borrower and shall, in the absence of manifest error, be rebuttably presumptive evidence as to the amount thereof.

If any Bank receives such additional consideration from Borrower pursuant to this Subsection 8.2, such Bank shall use its best efforts to obtain the benefits of any refund, deduction or credit for any taxes or other amounts on account of which such additional consideration has been paid and shall reimburse Borrower to the extent, but only to the extent, that such Bank shall receive a refund of such taxes or other amounts together with any interest thereon or an effective net reduction in taxes or other governmental charges (including any taxes imposed on or measured by the total net income of

such Bank) of the United States or any state or subdivision thereof by virtue of any such deduction or credit, after first giving effect to all other deductions and credits otherwise available to such Bank. If, at the time any audit of such Bank's income tax return is completed, such Bank determines, based on such audit, that it was not entitled to the full amount of any refund reimbursed to Borrower as aforesaid or that its net income taxes are not reduced by a credit or deduction for the full amount of taxes reimbursed to Borrower as aforesaid, Borrower, within thirty (30) days after demand of such Bank, will promptly pay to such Bank the amount so refunded to which such Bank was not so entitled, or the amount by which the net income taxes of such Bank were not so reduced, as the case may be.

Notwithstanding any other provision of this credit agreement, after any such demand for compensation by any Bank, Borrower, upon at least two (2) Cleveland banking days' prior written notice to such Bank through the Agent, may prepay all LIBOR Loans in full or convert all LIBOR Loans to any other type of loans permitted under this credit agreement regardless of the Interest Period of any thereof. Any such prepayment or conversion shall be subject to the prepayment penalties set forth in Section 6 hereof.

8.3. EURODOLLAR DEPOSITS UNAVAILABLE OR INTEREST RATE UNASCERTAINABLE. In respect of any LIBOR Loans, in the event that the Agent shall have determined that dollar deposits of the relevant amount for the relevant Interest Period for such LIBOR Loans are not available to the Reference Bank in the applicable Eurodollar market or that, by reason of circumstances affecting such market, adequate and reasonable means do not exist for ascertaining the LIBOR rate applicable to such Interest Period, as the case may be, the Agent shall promptly give notice of such determination to Borrower and (i) any notice of new LIBOR Loans (or conversion of existing loans to LIBOR Loans) previously given by Borrower and not yet borrowed (or converted, as the case may be) shall be deemed a notice to make Prime Rate Loans, and (ii) Borrower shall be obligated either to prepay or to convert any outstanding LIBOR Loans on the last day of the then current Interest Period or Periods with respect thereto.

8.4. INDEMNITY. Without prejudice to any other provisions of this Section 8, Borrower hereby agrees to indemnify each Bank against any loss or expense which such Bank may sustain or incur as a consequence of any default by Borrower in payment when due of any amount due hereunder in respect of any LIBOR Loan, including, but not limited to, any loss of profit, premium or penalty incurred by such Bank in respect of funds borrowed by it for the purpose of making or maintaining such LIBOR Loan, as determined by such Bank in the exercise of its sole but reasonable discretion. A certificate as to any such loss or expense shall be promptly submitted by such Bank to Borrower and shall, in the absence of manifest error, be rebuttably presumptive evidence as to the amount thereof.

8.5. CHANGES IN LAW RENDERING LIBOR LOANS UNLAWFUL. If at any time any new law, treaty or regulation, or any change in any existing law, treaty or regulation, or any interpretation thereof by any

governmental or other regulatory authority charged with the administration thereof, shall make it unlawful for any Bank to fund any LIBOR Loans which it is committed to make hereunder with moneys obtained in the Eurodollar market, the Commitment of such Bank to fund LIBOR Loans shall, upon the happening of such event forthwith be suspended for the duration of such illegality, and such Bank shall by written notice to Borrower and the Agent declare that its Commitment with respect to such loans has been so suspended and, if and when such illegality ceases to exist, such suspension shall cease and such Bank shall similarly notify Borrower and the Agent. If any such change shall make it unlawful for any Bank to continue in effect the funding in the applicable Eurodollar market of any LIBOR Loan previously made by it hereunder, such Bank shall, upon the happening of such event, notify Borrower, the Agent and the other Banks thereof in writing stating the reasons therefor, and Borrower shall, on the earlier of

(i) the last day of the then current Interest Period or (ii) if required by such law, regulation or interpretation, on such date as shall be specified in such notice, either convert all LIBOR Loans to any other type of loans permitted under this credit agreement or prepay all LIBOR Loans to the Banks in full. Any such prepayment or conversion shall be subject to the prepayment penalties prescribed in Section 6 hereof.

8.6. FUNDING. Each Bank may, but shall not be required to, make LIBOR Loans hereunder with funds obtained outside the United States.

9. ADDITIONAL PROVISIONS RELATING TO DOMESTIC FIXED RATE LOANS.

9.1. INCREASED COST. If, as a result of any Regulatory Change:

(a) the basis of taxation of payments to any Bank of the principal of or interest on any Domestic Fixed Rate Loan or any other amounts payable under this credit agreement in respect thereof (other than taxes imposed on the overall net income of such Bank by the jurisdiction in which such Bank has its main office) is changed; or

(b) any reserve, special deposit or similar requirements relating to any extensions of credit or other assets of, or any deposits with or liabilities of, any Bank are imposed, modified or deemed applicable; or

(c) any other condition affecting this credit agreement or any of the Domestic Fixed Rate Loans is imposed on any Bank;

and such Bank determines that, by reason thereof, the cost to such Bank of making or maintaining any of the Domestic Fixed Rate Loans is increased, or any amount received by such Bank hereunder in respect of any such loans is reduced (such increase in cost and reductions in amounts receivable being herein called "Increased Costs"), then Borrower shall pay to such Bank upon demand such additional amount or amounts as will compensate such Bank for such Increased Costs (such demand to be accompanied by a statement setting forth the basis for the calculation thereof). Determinations by such Bank for purposes of

this Subsection 9.1 of the effect of any Regulatory Change on its costs of making or maintaining Domestic Fixed Rate Loans or on amounts receivable by it in respect of such Domestic Fixed Rate Loans, and of the additional amounts required to compensate such Bank in respect of any Increased Cost shall be rebuttably presumptive evidence in the absence of manifest error. Notwithstanding any other provision of this credit agreement, after any such demand for compensation by any Bank, Borrower, upon at least one (1) Cleveland banking day's prior written notice to such Bank through the Agent, may prepay all Domestic Fixed Rate Loans in full or convert all Domestic Fixed Rate Loans to any other type of loans permitted under this credit agreement regardless of the Domestic Interest Period of any thereof. Any such prepayment or conversion shall be subject to the prepayment penalty set forth in Section 6 hereof. Each Bank will notify Borrower as promptly as practicable (with a copy thereof delivered to the Agent) of the existence of any event which will likely require the payment by Borrower of any such additional amounts under this Subsection.

9.2. QUOTED RATES. Anything herein to the contrary notwithstanding, if on or before the first day of the applicable Domestic Interest Period for any Domestic Fixed Rate Loan (i) the Agent determines that for any reason whatsoever, dealers of recognized standing are not providing quotes for certificates of deposit (in the applicable amounts) of the C/D Reference Bank for a period of time comparable to the applicable Domestic Interest Period or (ii) the Agent shall determine that the rates quoted by such dealers for purposes of computing the rate of interest on Domestic Fixed Rate Loans for the applicable Domestic Interest Period do not accurately reflect the cost to the Banks of making or maintaining such Domestic Fixed Rate Loans for such period, then the Agent shall give Borrower prompt notice thereof, and so long as such failure to quote such rates continues and/or rates fail to accurately reflect costs to the Banks as aforesaid, the Banks shall be under no obligation to make Domestic Fixed Rate Loans or to convert any other type of loans made pursuant to this credit agreement into Domestic Fixed Rate Loans and Borrower shall not be entitled to obtain any Domestic Fixed Rate Loans hereunder until the Agent has notified Borrower that the conditions giving rise to the operation of this Subsection no longer exist.

9.3. CHANGE OF LAW. Notwithstanding any other provision in this credit agreement, in the event that any Regulatory Change shall make it unlawful for any Bank to fund any Domestic Fixed Rate Loans, the Commitment of such Bank to fund Domestic Fixed Rate Loans shall, upon the happening of such event forthwith be suspended for the duration of such illegality, and such Bank shall by written notice to Borrower and the Agent declare that its Commitment with respect to such loans has been so suspended and, if and when such illegality ceases to exist, such suspensions shall cease and such Bank shall similarly notify Borrower and the Agent. If any such change shall make it unlawful for any Bank to continue in effect the funding of Domestic Fixed Rate Loans, such Bank shall, upon the happening of such event, notify Borrower, the Agent and the other Banks thereof in writing stating the reasons therefor, and Borrower shall, on the earlier of (i) the last day of the then current Domestic Interest Period or (ii) if required

by such Regulatory Change, on such date as shall be specified on such notice, either convert all Domestic Fixed Rate Loans to any other type of loans permitted under this credit agreement or prepay all Domestic Fixed Rate Loans to the Banks in full. Any such prepayment or conversion shall be subject to the prepayment penalties prescribed in Section 6 hereof.

10. OPENING COVENANTS. Prior to or concurrently with the execution and delivery of this credit agreement, the following conditions shall be satisfied and Borrower shall furnish to each Bank the following:

10.1. AUTHORIZATION. A copy of Borrower's Partnership Agreement and any amendments thereto (certified as to its accuracy and completeness by the Secretary of Borrower's Managing General Partner) for each Bank which evidences the authority of Cedar Fair Management Company in its capacity as the Managing General Partner of Borrower to execute this credit agreement and to execute and deliver the Notes provided for herein and a certified copy of the resolutions of the board of directors of the Managing General Partner of Borrower evidencing the authority of the officer designated by such Managing General Partner to act on its behalf in connection with the partnership.

10.2. LEGAL OPINIONS. A favorable opinion of Squire, Sanders & Dempsey as to the matters referred to in Subsections 12.1, 12.2, 12.3 and 12.6 of this credit agreement and such other matters as Agent and the Banks may reasonably request.

10.3. PROCEEDINGS AND DOCUMENTS. All partnership, corporate and other proceedings and all documents incidental to the transactions involved in the initial borrowing hereunder shall be reasonably satisfactory in substance and form to each Bank and the Agent and each Bank, the Agent and counsel for the Banks shall have received all such counterpart originals or certified or other copies of such documents as the Agent may reasonably request.

10.4. NO DEFAULT CERTIFICATE. A certificate from the Managing General Partner of Borrower certifying that as of the date of this credit agreement, no event of default or Possible Default exists hereunder.

10.5. REVOLVING CREDIT NOTES. A duly executed Revolving Credit Note of Borrower, payable to the order of such Bank with the blanks appropriately filled, which Note shall be substantially in the form of Exhibit A hereto.

11. COVENANTS. Borrower agrees that so long as the Commitments remain in effect and thereafter until the principal of and interest on Revolving Credit Loans obtained hereunder shall have been paid in full, Borrower will perform and observe, and will cause each Subsidiary to perform and observe, all of the following provisions that are on their respective parts to be complied with, namely:

11.1. **INSURANCE.** Borrower and each Subsidiary will (a) keep itself and all of its insurable properties insured at all times to such extent, by such insurers, and against such hazards and liabilities as is generally and prudently done by like businesses, it being understood that Borrower's and each Subsidiary's insurance coverage at the date of this credit agreement meets the standards contemplated by this Subsection 11.1, (b) give each Bank prompt written notice of each materially adverse proposed change in Borrower's and each Subsidiary's insurance coverage and the details of the change and (c) forthwith upon any Bank's written request, furnish to such Bank such information about Borrower's and each Subsidiary's insurance as such Bank may from time to time reasonably request, which information shall be prepared in form and detail satisfactory to such Bank.

11.2. **MONEY OBLIGATIONS.** Borrower and each Subsidiary will pay in full (a) prior in each case to the date when penalties would attach, all taxes, assessments and governmental charges and levies (except only those so long as and to the extent that the same shall be contested in good faith by appropriate and timely proceedings) for which it may be or become liable or to which any or all of its properties may be or become subject, and (b) all of its other obligations calling for the payment of money before such payment becomes overdue (except (i) only those so long as and to the extent that the same shall be contested in good faith by appropriate and timely proceedings, and (ii) obligations for borrowed money up to One Million Dollars (\$1,000,000), or (iii) trade payables incurred in the ordinary course of business the aggregate principal amount of which is Three Million Dollars (\$3,000,000) or less).

11.3. **RECORDS.** Borrower and each Subsidiary will (a) at all times maintain true and complete records and books of account and, without limiting the generality of the foregoing, maintain appropriate reserves for possible losses and liabilities, all in accordance with generally accepted accounting principles consistently applied, and (b) during business hours and on five (5) days' prior written notice permit each Bank to examine Borrower's and each Subsidiary's books and records and to make excerpts therefrom and transcripts thereof.

11.4. **FRANCHISES; NOTICE OF POSSIBLE DEFAULT.** (a) Subject to Subsection 11.8 hereof, each Subsidiary will preserve and maintain its corporate existence, rights and franchises, and (b) in any event Borrower and each Subsidiary will preserve and maintain all rights and franchises, in each case where the absence of which would materially and adversely affect their ability to operate the amusement parks known as Valleyfair, Cedar Point, Dorney Park and Wildwater Kingdom in the normal course of their current operations. Borrower will promptly notify the Agent whenever any event of default as stated in Section 14 hereof or Possible Default has occurred hereunder.

11.5. **ERISA COMPLIANCE.** Neither Borrower nor any Subsidiary will incur any material accumulated funding deficiency within the meaning of the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations thereunder, or any

material liability to the Pension Benefit Guaranty Corporation, established thereunder in connection with any Plan. Borrower and each Subsidiary will furnish to the Banks (a) simultaneously with a filing by Borrower or any Subsidiary with the Pension Benefit Guaranty Corporation of a notice regarding any Thirty-Day Reportable Event and in any event within thirty (30) days after Borrower or any Subsidiary knows or has reason to know that any Thirty-Day Reportable Event with respect to any Plan has occurred, a statement of the chief financial officer of Borrower or such Subsidiary describing such Reportable Event and the action which Borrower or such Subsidiary proposes to take with respect thereto, together with a copy of the notice of such Reportable Event given to the Pension Benefit Guaranty Corporation if a copy of such notice is available to Borrower or such Subsidiary, and

(b) promptly after receipt thereof a copy of any notice Borrower or any Subsidiary may receive from the Pension Benefit Guaranty Corporation or the Internal Revenue Service with respect to any accumulated funding deficiency under Section 412 of the Internal Revenue Code of 1986 or liability under Title IV of the Employee Retirement Income Security Act of 1974, as amended from time to time, with respect to any Plan administered by Borrower or such Subsidiary; provided, that this latter clause shall not apply to notices of general application promulgated by the Pension Benefit Guaranty Corporation or the Internal Revenue Service. Borrower and each Subsidiary will promptly notify the Banks of any material taxes assessed, proposed to be assessed or which Borrower or such Subsidiary has reason to believe may be assessed against Borrower or such Subsidiary by the Internal Revenue Service with respect to any Plan. As used in this Subsection 11.5, "material" means the measure of a matter of significance which shall be determined as being not less than Two Million Five Hundred Thousand Dollars (\$2,500,000).

11.6. FINANCIAL STATEMENTS. Borrower will furnish to the Banks

(a) within sixty (60) days after the end of each of the first three quarter-annual periods of each fiscal year, commencing with Borrower's fiscal quarter ending June 30, 1994, on a book basis in accordance with generally accepted accounting principles (and, in any event, in each case as soon as reasonably practicable), balance sheets of Borrower and its Subsidiaries as at the end of that period and their statements of income, partners' or shareholders' equity (as the case may be) and changes in financial position for that period, all prepared on a consolidated basis and in form and detail satisfactory to each Bank and certified by the chief financial officer or treasurer of Borrower, (b) within one hundred and twenty (120) days after the end of each fiscal year of Borrower (and, in any event, in each case as soon as reasonably practicable), an annual audit report of Borrower and its Subsidiaries prepared in form and detail satisfactory to each Bank and certified by an independent public accounting firm satisfactory to each Bank, together with a certificate by the accounting firm setting forth the Possible Defaults coming to its attention during the course of its audit or, if none, a statement to that effect (provided that such accounting firm shall not be liable to anyone by reason of their failure to obtain knowledge of any such Possible Default which would not be disclosed in the course of an

audit conducted in accordance with generally accepted auditing standards), (c) concurrently with the furnishing of the financial information set forth in clauses (a) and (b) above, a covenant compliance certificate of the chief financial officer or treasurer, in form and detail satisfactory to the Banks, setting forth the calculations used to determine compliance with the financial covenants, (d) as soon as available, copies of all notices, reports, proxy statements and other similar documents sent by Borrower to its limited partners generally and filed with any governmental agency, and (e) forthwith upon each Bank's written request, such other information about the financial condition, compliance with the terms and conditions of this credit agreement, the operations and properties of Borrower and its Subsidiaries as each Bank may from time to time reasonably request, which information shall be submitted in form and detail satisfactory to each Bank and certified by the chief financial officer or treasurer of Borrower, or the chief financial officer of such Subsidiary, as the case may be. Borrower shall promptly deliver to the Banks copies of any amendments, modifications, consents or waivers entered into or received by it after the date hereof which affect the Senior Debt.

11.7. INVESTMENTS; GUARANTIES. Neither Borrower nor any Subsidiary will (a) own, purchase or acquire any obligations of, or any other interest in, or make any capital contribution to any person or entity, except as permitted by or contemplated under Subsection 11.8 and clause (iii) of Subsection 11.10 hereof, (b) make or hold any investment in any stocks, bonds or securities of any kind exceeding in the aggregate Five Hundred Thousand Dollars (\$500,000), (c) be or become a party to any joint venture or other partnership, (d) make or keep outstanding any advance or loan or (e) be or become a Guarantor of any kind; provided, that this Subsection 11.7 shall not apply to (i) any endorsement of a check or other medium of payment for deposit or collection through normal banking channels or any similar transaction in the normal course of business, or (ii) any purchase of repurchase agreements, eurodollar certificates of deposit, direct obligations of the United States of America or certificates of deposit or eligible bankers acceptances issued by a member bank of the Federal Reserve System, in each case due no later than one (1) year from the date of purchase, or (iii) any purchase of commercial paper maturing no later than one (1) year from the date of purchase, which at the time of such purchase is assigned the highest quality rating in accordance with the rating systems employed by either Moody's Investors Service, Inc. or Standard & Poor's Corporation, or (iv) except as otherwise restricted in this Subsection, guaranties issued in the ordinary course of business and not involving borrowed money, or (v) extensions of credit in the nature of Receivables owing to Borrower or any Subsidiary arising in the ordinary course of business and payable in accordance with their trade terms, or (vi) loans and advances to employees for relocation expenses, travel advances and similar expenses relating to their employment so long as the aggregate amount of such loans and advances shall not exceed Five Hundred Thousand Dollars (\$500,000), or (vii) guaranties by Borrower of indebtedness of any Subsidiary so long as the aggregate amount of all

such guaranties shall not exceed Five Million Dollars (\$5,000,000), at any one time outstanding, or (viii) guaranties by any Subsidiary of any indebtedness of Borrower or any other Subsidiary which indebtedness in each case is permitted under Subsection 11.10 hereof, or (ix) any unsecured loans and advances made by Borrower to any Subsidiary or any unsecured loans and advances made by any Subsidiary to Borrower, or (x) any unsecured advances of a Subsidiary to another Subsidiary so long as such latter Subsidiary has no other indebtedness of any kind other than indebtedness, if any, owing to Borrower, or (xi) any existing investment in the securities of a Subsidiary, or any investment in the securities of any corporation which becomes a Subsidiary, or (xii) any guaranty by one or more Subsidiaries of all indebtedness incurred by Borrower to the Banks hereunder (it being understood that at the request of holders of at least sixty percent (60%) (by amount) of the Notes, whenever made, Borrower will cause its Subsidiaries to guaranty all indebtedness incurred by Borrower to the Banks hereunder, which guaranty agreement(s) shall be in form and substance satisfactory to the Banks), or (xiii) any other guaranty, investment, advance or loan not otherwise permitted hereunder, so long as all such guaranties, investments, advances and loans at any one time outstanding do not exceed the aggregate amount of Ten Million Dollars (\$10,000,000) minus the aggregate amount then outstanding under the aforesaid subparts (vi) through (xii), inclusive.

11.8. ACQUISITIONS, BULK TRANSFERS. Neither Borrower nor any Subsidiary will (a) be a party to any consolidation or merger with any person or entity, or (b) lease, sell or otherwise transfer all or a substantial part of its assets (other than such chattels [including rides whether or not deemed chattels], if any, as may have become obsolete or no longer useful in the continuance of its present business) except in the normal course of its present business; provided, that this Subsection shall not apply to any lease, sale or other transfer of any assets during any fiscal year of Borrower, so long as such assets do not in the aggregate equal or exceed ten percent (10%) of Borrower's total assets (determined on a consolidated basis). Notwithstanding this Subsection 11.8, (i) Borrower may be merged with or into any person or entity and any Subsidiary may be merged with or into Borrower or any other Subsidiary; provided that Borrower survives such transaction and no Possible Default shall then exist or immediately thereafter will begin to exist, and (ii) any Subsidiary may be liquidated, wound up or dissolved, or all or substantially all of its business, property or assets may be conveyed, sold, leased, transferred or otherwise disposed of, in one transaction or a series of transaction, to Borrower or any other Subsidiary; provided that no Possible Default shall then exist or immediately thereafter will begin to exist.

11.9. LIENS. Neither Borrower nor any Subsidiary will (a) acquire any property subject to any security interest, inventory consignment, lease, land contract or other title retention contract, (b) sell or otherwise transfer any Receivables, whether with or without recourse, or (c) suffer or permit any property now owned or hereafter acquired by it to be or become encumbered by any mortgage,

security interest, financing statement or lien of any kind or nature; provided, that this Subsection 11.9 shall not apply to (i) any lien for a tax, assessment or governmental charge or levy not yet due and payable, (ii) any lien securing only its workers' compensation, unemployment insurance and similar obligations, (iii) any mechanic's, carrier's or similar common law or statutory lien incurred in the normal course of business, (iv) any transfer of a check or other medium of payment for deposit or collection through normal banking channels or any similar transaction in the normal course of business,

(v) liens or encumbrances on property or assets of Borrower existing as of the date hereof, a listing of which will be delivered to the Banks within ninety (90) days, (vi) any lien or security interest (including any refinancing thereof in whole or in part) created by Borrower or any Subsidiary in the course of purchasing property, or existing on such property at the time of such purchase (whether or not assumed), provided that such lien or security interest shall be restricted to the property being purchased and provided, further, that the indebtedness secured thereby shall not exceed eighty percent (80%) of the purchase price thereof, (vii) any mortgage, security interest or lien securing only indebtedness incurred to the Banks, (viii) any lien on any of its property which lien is incidental to the conduct of the normal course of its business so long as all such liens shall not materially adversely affect the ownership, use or operation of such assets or the financial condition of Borrower or any Subsidiary, and the aggregate amount of indebtedness secured by all such liens shall not exceed Ten Million Dollars (\$10,000,000), (ix) any financing statement perfecting only a security interest permitted by this Subsection 11.9, (x) easements, restrictions, minor title irregularities and similar matters having no material adverse effect on the ownership or use of any real property, or (xi) liens consisting of capitalized leases. Notwithstanding anything in this credit agreement to the contrary, neither Borrower nor any Subsidiary shall grant any lien on any of its property to the holder(s) of the Senior Debt without the prior written consent of the Banks.

11.10. BORROWINGS. Neither Borrower nor any Subsidiary will create, incur or suffer to exist any indebtedness for borrowed money or any Funded Indebtedness of any kind; provided, that this Subsection 11.10 shall not apply to (i) the loans evidenced by any Notes issued pursuant to this credit agreement, (ii) Senior Debt and, subject to Subsection 11.13 hereof, any renewal or refinancing of Senior Debt, (iii) any indebtedness of a corporation in existence at the time such corporation becomes a Subsidiary, and any renewal or refinancing with the same or different parties, provided that such renewal or refinancing does not increase the amount of such indebtedness above the amount in existence at the time of such renewal or refinancing, (iv) any loan obtained by Borrower, and any renewal or refinancing thereof, which does not permit any principal repayments prior to the date of repayment in full of all indebtedness to the Banks under this credit agreement and the termination of all obligations of the Banks to lend under this credit agreement, and which is Subordinated in favor of the Debt to the Banks pursuant to a subordination agreement

being in such form and substance as the Banks may require, (v) any other indebtedness existing as of the date hereof, (vi) any leases not in excess of Ten Million Dollars (\$10,000,000) entered into by Borrower which are required to be capitalized, (vii) any unsecured advances by Borrower to a Subsidiary or by a Subsidiary to Borrower, (viii) any unsecured advances of a Subsidiary to another Subsidiary so long as such latter Subsidiary has no other indebtedness of any kind other than indebtedness, if any, owing to Borrower, (ix) any secured indebtedness so long as the aggregate amount of all such indebtedness does not exceed Eight Million Five Hundred Thousand Dollars (\$8,500,000) at any one time outstanding, (x) any other indebtedness provided that, after giving effect thereto, Borrower would have been in compliance with Subsection 11.15 hereof during the immediately preceding fiscal year, after taking into consideration the current annualized pro forma interest expense for all existing and contemplated indebtedness, or (xi) any other indebtedness incurred by Borrower or any Subsidiary not otherwise permitted hereunder, so long as the aggregate amount of all such indebtedness does not exceed Five Million Dollars (\$5,000,000) at any one time outstanding. Notwithstanding the foregoing, neither Borrower nor any Subsidiary will create, incur or suffer to exist any indebtedness for borrowed money or any Funded Indebtedness of any kind if the aggregate amount of the Commitments, plus the aggregate unpaid principal balance of Senior Debt, plus the aggregate unpaid principal balance of all indebtedness incurred under clauses (ix), (x) and (xi) of this Subsection would at any time exceed Two Hundred Million Dollars (\$200,000,000).

11.11. EXISTENCE. Borrower will remain a limited partnership created in accordance with Delaware law.

11.12. CASH FLOW COVERAGE. Borrower will not suffer or permit, at the end of each fiscal year of Borrower, the sum of (a) all of Borrower's capital expenditures during such year, plus (b) all principal payments paid or accrued on Borrower's Funded Indebtedness during such year (other than principal payments paid or accrued on loans obtained hereunder), plus (c) all cash distributions paid to unitholders of Borrower during such year, to exceed one hundred twenty percent (120%) of the aggregate of Borrower's Net Earnings plus its depreciation and amortization charges during such year.

11.13. SENIOR DEBT. Borrower shall not at any time prepay or repurchase any of the Senior Debt without the prior written consent of the Banks, unless the entire amount of the Senior Debt is refinanced under terms which require no principal repayments of the same prior to the date of repayment in full of all indebtedness to the Banks under this credit agreement, the termination of all obligations of the Banks to lend under this credit agreement, and the termination of all obligations of the Agent to issue commercial letters of credit under this credit agreement.

11.14. NET WORTH. Borrower will not suffer or permit the Consolidated Net Worth of Borrower and its Subsidiaries to fall below

(a) \$47,160,000 at any time during calendar year 1994 and (b) \$50,160,000 at any time thereafter.

11.15. INTEREST COVERAGE RATIO. Borrower shall maintain a minimum Interest Coverage Ratio as of December 31 of each year of at least 4.00 to 1.00. The Interest Coverage Ratio shall be calculated including cash extraordinary gains and losses and non-recurring items. As used herein, "Interest Coverage Ratio" shall mean the ratio of (a) an amount equal to Borrower's Net Earnings for the period in question plus interest and taxes, to (b) all of Borrower's interest expense during such period, as determined on a consolidated and accrual basis and in accordance with generally accepted accounting principles not inconsistent with its present accounting procedures.

11.16. ENVIRONMENTAL COMPLIANCE. Borrower and its Subsidiaries will comply in all material respects with any and all Environmental Laws including, without limitation, all Environmental Laws in jurisdictions in which it owns or operates a facility or site, arranges for disposal or treatment of hazardous substances, solid waste or other wastes, accepts for transport any hazardous substances, solid waste or other wastes or holds any interest in real property or otherwise. Borrower and its Subsidiaries will furnish to the Banks promptly after receipt thereof a copy of any notice it may receive from any governmental authority, private person or entity that any litigation or proceeding pertaining to any environmental matter has been filed or is threatened against it, any real property in which it holds any interest or any past or present operation of the company in question which could reasonably be expected to result in a material adverse affect on Borrower or its Subsidiaries. Neither Borrower nor any Subsidiary will allow the release or disposal of hazardous waste, solid waste or other wastes on, under or to any real property in which it holds any interest or performs any of its operations, in violation of any Environmental Law. As used in this Subsection "litigation or proceeding" means any demand, claim, notice, suit, suit in equity, action, administrative action, investigation or inquiry whether brought by any governmental authority, private person or entity or otherwise, and "material" means the measure of a matter of significance which shall be determined as being not less than Two Million Five Hundred Thousand Dollars (\$2,500,000). Borrower and its Subsidiaries shall defend, indemnify and hold the Banks harmless against all costs, expenses, claims, damages, penalties and liabilities of every kind or nature whatsoever (including attorneys fees) arising out of or resulting from the noncompliance of Borrower or any Subsidiary with any Environmental Law.

11.17. FUNDED INDEBTEDNESS TO TANGIBLE NET WORTH RATIO. At June 30 and December 31 of each of the indicated years, Borrower will not suffer or permit the ratio of its average (for that date and the last day of each of the 11 previous fiscal months) consolidated Funded Indebtedness to average (for that date and the last day of each of the 11 previous fiscal months) Consolidated Net Worth (a) during 1994 to exceed 1.35 to 1.00 and (b) during each year thereafter to exceed 1.25 to 1.00.

11.18. MORE RESTRICTIVE COVENANTS. Prior to entering into any agreement providing for the incurrence or amendment of any indebtedness for borrowed money, which agreement contains financial covenants applicable to Borrower and/or any of its Subsidiaries which are more restrictive than any of the covenants set forth herein, Borrower shall cause this credit agreement to be amended in writing (which amendment shall be in form and substance satisfactory to the Banks) to include any such covenant or covenants.

12. REPRESENTATIONS AND WARRANTIES. Borrower represents and warrants as follows:

12.1. ORGANIZATION; RECAPITALIZATION. Borrower is a limited partnership created in accordance with Delaware law, and is duly authorized to do business in the States of Ohio, Minnesota and Pennsylvania. Each Subsidiary is an organization duly organized and validly existing and in good standing under the laws of the state of its origination and is duly qualified and authorized to do business wherever it owns any real estate or personal property or transacts any substantial business. Borrower is a duly constituted and existing limited partnership under the Partnership Agreement. All filings and recordings required in connection with the Partnership Agreement, including the filing of all required fictitious name certificates, have been duly made, and the execution of the Partnership Agreement has not materially impaired or materially adversely affected any right, title or interest of Borrower in and to any real or personal property of Borrower, whether tangible or intangible, and such execution has not resulted in Borrower's incurring any material liability or obligation.

12.2. RIGHT TO ACT. No registration with or approval of any governmental agency of any kind is required for the due execution and delivery or for the enforceability of this credit agreement or any Note issued pursuant to this credit agreement. Borrower has legal power and right to execute and deliver this credit agreement and each Note issued pursuant to this credit agreement and to perform and observe the provisions of this credit agreement and such Notes issued pursuant hereto. By executing and delivering this credit agreement and each Note issued pursuant to this credit agreement and by performing and observing the provisions of this credit agreement and each Note issued pursuant hereto, Borrower will not violate any existing provision of the Partnership Agreement or any applicable law or violate or otherwise become in default under any existing loan agreement, credit agreement, mortgage, indenture or similar instrument binding upon Borrower, or any other material contract, agreement or other obligation binding upon Borrower. The general partner executing and delivering this credit agreement on behalf of Borrower has the authority to do so, and this credit agreement and any Note, when executed, are legally valid and binding upon Borrower in every respect and enforceable in accordance with their terms except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally, and general principles of equity which may limit the availability of equitable remedies.

12.3. LITIGATION. No litigation or proceeding is pending or threatened which involves any substantial possibility of adversely affecting Borrower or any Subsidiary to a material extent. The Internal Revenue Service has not alleged any material default by Borrower or any Subsidiary in the payment of any tax or threatened to make any material assessment in respect thereof.

12.4. ERISA COMPLIANCE. To the best of Borrower's knowledge, neither Borrower nor any Subsidiary has incurred any material accumulated funding deficiency within the meaning of the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations thereunder. To the best of Borrower's knowledge, no Reportable Event has occurred with respect to any Plan. To the best of Borrower's knowledge, the Pension Benefit Guaranty Corporation, established thereunder, has not asserted that Borrower or any Subsidiary has incurred any material liability in connection with any Plan. To the best of Borrower's knowledge, no lien has been attached and no person has threatened to attach a lien on any property of Borrower or any Subsidiary as a result of Borrower's or any Subsidiary's failing to comply with such act or regulation. As used in this Subsection "material" means the measure of a matter of significance which shall be determined as being not less than Two Million Five Hundred Thousand Dollars (\$2,500,000).

12.5. FINANCIAL CONDITION. The quarterly financial statements of Borrower prepared as of March 31, 1994 have been prepared in accordance with generally accepted accounting principles and fairly present Borrower's then financial condition. There has been no material adverse change in the financial condition, properties or business of Borrower since that date.

12.6. REGULATIONS. Borrower is not engaged principally or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any "margin stock" (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System of the United States of America). Neither the granting of any Revolving Credit Loan hereunder nor the use of the proceeds of such loan will violate, or be inconsistent with, the provisions of Regulation U or X of said Board of Governors.

12.7. DEFAULT. No Possible Default exists hereunder, nor will any begin to exist immediately after the execution and delivery hereof.

12.8. TITLE TO PROPERTY AND ENCUMBRANCES. Borrower has good and marketable fee simple title, in the case of real property, and good title, in the case of all other property, to all of its properties and assets (including, without limitation, all the real and other property used in and necessary to the operation of the amusement parks known as Valleyfair, Cedar Point, Dorney Park and Wildwater Kingdom) and all of the real and personal property reflected in the quarterly financial statements of Borrower prepared as of March 27, 1994 (which has not, since that date, been disposed of by Borrower in

the ordinary course of its business) free and clear of all mortgages, pledges or other security interest or encumbrances, except those permitted under Subsection 11.9 hereof. Borrower is not a party to or bound by any agreement or instrument involving the purchase or sale of goods or services, the terms and provisions of which would adversely affect or interfere with the successful operation of the business conducted by Borrower. Borrower and its Subsidiaries enjoy peaceful and undisturbed possession under all leases and easements necessary in any material respect for the operation of its properties and assets, none of which contains, or was granted pursuant to any legislation which contains, any unusual or burdensome provisions which would materially adversely affect or impair the operation of such properties and assets, and all such leases and easements are valid and subsisting and in full force and effect.

12.9. DISCLOSURE. To the best of Borrower's actual knowledge, neither this credit agreement, nor any other document furnished to the Banks by or on behalf of Borrower pursuant hereto or in connection herewith contains, as of its date, any untrue or misleading statement of material fact, it being understood that as to any forecasts or projections (and related assumptions) expressed therein are herein represented only as being reasonably based upon the best information available to Borrower at the time such forecasts, projections and assumptions were made. There are no facts known to Borrower which have not been disclosed in this credit agreement, the Partnership Agreement, or in any of the financial statements furnished pursuant to Subsection 11.6 hereof which, individually or in the aggregate, materially adversely affect the condition, business or affairs of Borrower, or impair in any way the ability of Borrower to perform its obligations under this credit agreement or the Notes.

12.10. ENVIRONMENTAL COMPLIANCE. Borrower and its Subsidiaries are in substantial compliance with any and all Environmental Laws including, without limitation, all Environmental Laws in all jurisdictions in which any of them owns or operates, or has owned or operated, a facility or site, arranges or has arranged for disposal or treatment of hazardous substances, solid waste or other wastes, accepts or has accepted for transport any hazardous substances, solid waste or other wastes or holds or has held any interest in real property or otherwise. No material litigation or proceeding arising under, relating to or in connection with any Environmental Law is pending or, to the best of our knowledge, threatened against Borrower or any Subsidiary, any real property in which any thereof holds or has held an interest or any past or present operation of any thereof. No release, threatened release or disposal of hazardous waste, solid waste or other wastes is occurring, or has occurred, on, under or to any real property in which Borrower or any Subsidiary holds any interest or performs any of its operations, in violation of any Environmental Law the violation of which could reasonably be expected to have a material adverse affect on Borrower or its Subsidiaries. As used in this Subsection, "litigation and proceeding" means any demand, claim, notice, suit, suit in equity, action, administrative action, investigation or inquiry whether brought by any governmental authority, private person or entity or

otherwise, and "material" means the measure of a matter of significance which shall be determined as being not less than Two Million Five Hundred Thousand Dollars (\$2,500,000).

13. EVENTS OF DEFAULT. Each of the following shall constitute an event of default hereunder:

13.1. PAYMENTS/ESCROW. If the principal of or interest on any Note or any commitment fee, Agent's fee, L/C Fee or Administrative Fee shall not be paid in full punctually when due and payable and shall remain unpaid for a period of five (5) consecutive days or if Borrower shall fail to deposit with the Agent an amount of money equal to the aggregate of all outstanding commercial letters of credit as required by, and under the terms of, Subsection 3.2 of this credit agreement within five (5) days of the date on which the Agent or any of the Banks shall so instruct.

13.2. COVENANTS. If Borrower or any Subsidiary shall fail or omit to perform and observe any agreement or other provision (other than those referred to in Subsection 13.1 hereof) contained or referred to in this credit agreement or any Related Writing that is on its part to be complied with, and that Possible Default shall not have been fully corrected within thirty (30) days after giving of written notice thereof to Borrower by the Agent or any Bank that the specified Possible Default is to be remedied.

13.3. REPRESENTATIONS AND WARRANTIES. If any representation, warranty or statement made in or pursuant to this credit agreement or any Related Writing or any other material information furnished by Borrower or any Subsidiary to the Banks or any thereof or any other holder of any Note, shall be false or erroneous in any material respect when made.

13.4. CROSS DEFAULT. If Borrower or any Subsidiary defaults in the payment of principal or interest due and owing upon any other obligation for borrowed money in excess of One Million Dollars (\$1,000,000) beyond any period of grace provided with respect thereto or in the performance of any other agreement, term or condition contained in any agreement under which such obligation is created, if the effect of such default is to accelerate the maturity of such indebtedness or to permit the holder thereof to cause such indebtedness to become due prior to its stated maturity.

13.5. TERMINATION OF PLAN. If any Plan shall fail to maintain the minimum funding standards required by Section 302 of the Employee Retirement Income Security Act of 1974, as amended, and Sections 412 and 418(B) of the Internal Revenue Code of 1986 (as amended from time to time, and any regulations promulgated thereunder), or a Plan shall have terminated or shall be the subject of termination or partition proceedings or in reorganization under the Employee Retirement Income Security Act of 1974, as amended, or Borrower or any ERISA Affiliate shall have incurred a withdrawal liability (including, without limitation, a secondary withdrawal liability pursuant to Section 4204 of the Employee Retirement Income

Security Act of 1974, as amended), to a Plan or to the Pension Benefit Guaranty Corporation, and there shall result from such event a liability which will have a material adverse effect upon the business, operations or financial condition of Borrower and its Subsidiaries taken as a whole.

13.6. OWNERSHIP. If after the date hereof, any person or group (as defined in Section 13.D and 14.D of the Securities Exchange Act of 1934) shall have or obtain, in the aggregate, sixty percent (60%) of the outstanding voting power or control of Borrower and/or have the unilateral right to elect a majority of the Managing General Partner of Borrower.

13.7. SOLVENCY OF SUBSIDIARIES. If any Subsidiary having tangible assets with a book value in excess of One Million Dollars (\$1,000,000) shall (a) discontinue business (except as specifically permitted by Subsection 11.8), or (b) generally not pay its debts as such debts become due, or (c) make a general assignment for the benefit of creditors, or (d) apply for or consent to the appointment of a receiver, a custodian, a trustee, or interim trustee or liquidator of itself or all or a substantial part of its assets, or (e) be adjudicated a debtor or have entered against it an order for relief under Title 11 of the United States Code, as the same may be amended from time to time, or (f) file a voluntary petition in bankruptcy or file a petition or an answer seeking reorganization or an arrangement with creditors or seeking to take advantage of any other law (whether federal or state) relating to relief of debtors, or admit (by answer, by default or otherwise) the material allegations of a petition filed against it in any bankruptcy, reorganization, insolvency or other proceeding (whether federal or state) relating to relief of debtors, or (g) suffer or permit to continue unstayed and in effect for sixty (60) consecutive days any judgment, decree or order, entered by a court of competent jurisdiction or appoints a receiver, a custodian, a trustee, an interim trustee or liquidator of itself or of all or a substantial part of its assets.

13.8. BORROWER'S SOLVENCY. If Borrower shall (a) discontinue the operation of any of the amusement parks known as Valleyfair, Cedar Point, Dorney Park and Wildwater Kingdom, other than normal off-season shutdowns, or become dissolved (and in the event of dissolution pursuant to Article XIV of the Partnership Agreement, shall not have been reconstituted within the time specified in Section 13.2 of the Partnership Agreement), or (b) generally not pay its debts as such debts become due, or (c) make a general assignment for the benefit of creditors, or (d) apply for or consent to the appointment of a receiver, a custodian, a trustee, an interim trustee or liquidator of itself or all or a substantial part of its assets, or (e) be adjudicated a debtor or have entered against it an order for relief under Title 11 of the United States Code, as the same may be amended from time to time, or (f) file a voluntary petition in bankruptcy or file a petition or an answer seeking reorganization or an arrangement with creditors or seeking to take advantage of any other law (whether federal or state) relating to relief of debtors, or admit (by answer, by default or otherwise) the material allegations of a petition filed

against it in any bankruptcy, reorganization, insolvency or other proceeding (whether federal or state) relating to relief of debtors, or (g) suffer or permit to continue unstayed and in effect for sixty

(60) consecutive days any judgment, decree or order entered by a court or governmental commission of competent jurisdiction, which assumes custody or control of Borrower, approves a petition seeking reorganization of Borrower or any other judicial modification of the rights of its creditors, or appoints a receiver, a custodian, a trustee, an interim trustee or liquidator for itself or of all or a substantial part of its assets.

14. REMEDIES UPON DEFAULT. Notwithstanding any contrary provision or inference herein or elsewhere,

14.1. OPTIONAL DEFAULTS. If any event of default referred to in Subsection 13.1, 13.2, 13.3, 13.4, 13.5, 13.6 or 13.7 hereof shall occur, the holders of not less than sixty percent (60%) (by amount) of the Notes shall have the right in their discretion, by directing the Agent, on behalf of the Banks, to give written notice to Borrower, to

(a) terminate the Commitments (if not already terminated) and no Bank thereafter shall be under any obligation to grant Borrower any further Revolving Credit Loans or to issue commercial letters of credit hereunder, and/or

(b) accelerate the maturity of all of Debt to the Banks (if it be not already due and payable), whereupon all of the Debt to the Banks shall become and thereafter be immediately due and payable in full without any presentment or demand and without any further or other notice of any kind, all of which are hereby waived by Borrower.

14.2. AUTOMATIC DEFAULTS. If any event of default referred to in Subsection 13.8 hereof shall occur,

(a) all of the Commitments shall automatically and forthwith terminate (if not already terminated) and no Bank thereafter shall be under any obligation to grant any further loan or loans or to issue commercial letters of credit; and

(b) the principal of and interest on all Notes then outstanding and all of the Debt to the Banks shall thereupon become and thereafter be immediately due and payable in full (if it be not already due and payable), all without any presentment, demand or notice of any kind, which are hereby waived by Borrower.

14.3. OFFSETS. If there shall occur or exist any Possible Default referred to in Subsection 13.8 hereof, each Bank shall have the right at any time to set off against, and to appropriate and apply toward the payment of, any and all Debt then owing by Borrower to that Bank (including, without limitation, any participation purchased or to be purchased pursuant to Subsection 14.4 or Subsection 16.6 hereof), whether or not the same shall then have matured, any and all deposit

balances and all other indebtedness then held or owing by that Bank to or for the credit or account of Borrower (except for funds deposited for taxes, payroll, employee contribution, profit sharing, employee saving and similar funds in which Borrower has no beneficial interest), all without notice to or demand upon Borrower or any other person, all such notices and demands being hereby expressly waived by Borrower.

14.4. EQUALIZATION PROVISION. Each Bank agrees with the other Banks that if it at any time shall obtain any Advantage over the other Banks or any thereof in respect of Borrower's Debt to the Banks, it will purchase from the other Banks, for cash and at par, such additional participation in Borrower's Debt to the Banks as shall be necessary to nullify the Advantage. If any said Advantage resulting in the purchase of an additional participation as aforesaid shall be recovered in whole or in part from the Bank receiving the Advantage, each such purchase shall be rescinded, and the purchase price restored (but without interest, unless the Bank receiving the Advantage is required to pay interest on the Advantage to the person recovering the Advantage from such Bank) ratably to the extent of the recovery. Each Bank further agrees with the other Banks that if it at any time shall receive any payment for or on behalf of Borrower on any indebtedness owing by Borrower to that Bank by reason of offset of any deposit or other indebtedness or otherwise, it will apply such payment first to any and all indebtedness owing by Borrower to that Bank pursuant to this credit agreement (including, without limitation, any participation purchased or to be purchased pursuant to this Subsection 14.4 and Subsection 16.6) until Borrower's Debt has been paid in full. Borrower agrees that any Bank so purchasing a participation from the other Banks or any thereof pursuant to this Subsection may exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Bank was a direct creditor of Borrower in the amount of such participation.

15. THE AGENT. The Banks authorize Society National Bank and Society National Bank hereby agrees to act as Agent for the Banks in respect of this credit agreement upon the terms and conditions set forth elsewhere in this credit agreement, and upon the following terms and conditions:

15.1. APPOINTMENT AND AUTHORIZATION. Each Bank hereby irrevocably appoints and authorizes the Agent to take such action as Agent on its behalf and to exercise such powers hereunder as are delegated to the Agent by the terms hereof, together with such powers as are reasonably incidental thereto. Neither the Agent nor any of its directors, officers, attorneys or employees shall be liable for any action taken or omitted to be taken by it or them hereunder or in connection herewith, except for its or their own gross negligence or willful misconduct.

15.2. NOTE HOLDERS. The Agent may treat the payee of any Note as the holder thereof until written notice of transfer shall have been filed with it signed by such payee and in form satisfactory to the Agent.

15.3. CONSULTATION WITH COUNSEL. The Agent may consult with legal counsel selected by it and shall not be liable for any action taken or suffered in good faith by it in accordance with the opinion of such counsel.

15.4. DOCUMENTS. The Agent shall not be under a duty to examine into or pass upon the validity, effectiveness, genuineness or value of this credit agreement, the Notes, any other Related Writing furnished pursuant hereto or in connection herewith or the value of any collateral obtained hereunder, and the Agent shall be entitled to assume that the same are valid, effective and genuine and what they purport to be.

15.5. AGENT AND AFFILIATES. With respect to the loans made hereunder, the Agent shall have the same rights and powers hereunder as any other Bank and may exercise the same as though it were not the Agent, and the Agent and its affiliates may accept deposits from, lend money to and generally engage in any kind of business with Borrower or any Subsidiary or affiliate of Borrower.

15.6. KNOWLEDGE OF DEFAULT. It is expressly understood and agreed that the Agent shall be entitled to assume that no Possible Default or event of default has occurred and is continuing, unless the Agent has been notified by a Bank in writing that such Bank considers that a Possible Default or event of default has occurred and is continuing and specifying the nature thereof.

15.7. ACTION BY AGENT. So long as the Agent shall be entitled, pursuant to Subsection 15.6 hereof, to assume that no Possible Default or event of default shall have occurred and be continuing, the Agent shall be entitled to use its discretion with respect to exercising or refraining from exercising any rights which may be vested in it by, or with respect to taking or refraining from taking any action or actions which it may be able to take under or in respect of, this credit agreement. The Agent shall incur no liability under or in respect of this credit agreement by acting upon any notice, certificate, warranty or other paper or instrument believed by it to be genuine or authentic or to be signed by the proper party or parties, or with respect to anything which it may do or refrain from doing in the reasonable exercise of its judgment, or which may seem to it to be necessary or desirable in the premises.

15.8. NOTICES, DEFAULT, ETC. In the event that the Agent shall have acquired actual knowledge of any Possible Default, the Agent shall promptly notify the Banks and will take such action and assert such rights under this credit agreement as the holders of at least sixty percent (60%) (by amount) of the Notes shall direct and the Agent shall inform the other Banks in writing of the action taken. The Agent may take such action and assert such rights as it deems to be advisable, in its discretion, for the protection of the interests of the holders of the Notes.

15.9. INDEMNIFICATION. The Banks agree to indemnify the Agent (to the extent not reimbursed by Borrower), ratably according to

the respective principal amounts of their Notes from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the Agent in its capacity as agent in any way relating to or arising out of this credit agreement or any action taken or omitted by the Agent with respect to this credit agreement, provided that no Bank shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Agent's gross negligence, willful misconduct or from any action taken or omitted by the Agent in any capacity other than as agent under this credit agreement.

16. MISCELLANEOUS.

16.1. **BANKS' INDEPENDENT INVESTIGATION.** Each Bank by its signature to this credit agreement acknowledges and agrees that the Agent has made no representation or warranty, express or implied, with respect to the creditworthiness, financial condition, or any other condition of Borrower or any Subsidiary or with respect to the statements contained in any information memorandum furnished in connection herewith or in any other oral or written communication between the Agent and such Bank. Each Bank represents that it has made and shall continue to make its own independent investigation of the creditworthiness, financial condition and affairs of Borrower and any Subsidiary in connection with the extension of credit hereunder, and agrees that the Agent has no duty or responsibility, either initially or on a continuing basis, to provide any Bank with any credit or other information with respect thereto (other than such notices as may be expressly required to be given by Agent to the Banks hereunder), whether coming into its possession before the granting of the first loans or at any time or times thereafter.

16.2. **NO WAIVER; CUMULATIVE REMEDIES.** No omission or course of dealing on the part of Agent, any Bank or the holder of any Note in exercising any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The remedies herein provided are cumulative and in addition to any other rights, powers or privileges held by operation of law, by contract or otherwise.

16.3. **AMENDMENTS, CONSENTS.** No amendment, modification, termination, or waiver of any provision of this credit agreement or of the Notes nor consent to any variance therefrom, shall be effective unless the same shall be in writing and signed by the holders of sixty percent (60%) (by amount) of the Debt and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. Unanimous consent of the holders of one hundred percent (100%) (by amount) of the Notes shall be required with respect to (i) the extension of maturity of the Notes, or the payment date of interest thereunder, (ii) any reduction in the rate of interest on the Notes or in the commitment fees, or in any amount of

principal or interest due on any Note, or in the manner of pro rata application of any payments made by Borrower to the Banks hereunder, or any change in amortization schedules, or (iii) any change in any percentage voting requirement in this credit agreement. Notice of amendments or consents ratified by the Banks hereunder shall immediately be forwarded by Borrower to all Banks. Each Bank or other holder of a Note shall be bound by any amendment, waiver or consent obtained as authorized by this Section, regardless of its failure to agree thereto.

16.4. NOTICES. All notices, requests, demands and other communications provided for hereunder shall be in writing and, if to Borrower, mailed or delivered to it, addressed to it at the address specified on the signature pages of this credit agreement, if to a Bank, mailed or delivered to it, addressed to the address of such Bank specified on the signature pages of this credit agreement. All notices, statements, requests, demands and other communications provided for hereunder shall be deemed to be given or made when delivered or forty-eight (48) hours after being deposited in the mails with postage prepaid by registered or certified mail or delivered to a telegraph company, addressed as aforesaid, except that notices from Borrower to Agent or the Banks pursuant to any of the provisions of Sections 3, 4, 6, 8 and 9 hereof shall not be effective until received by Agent or the Banks.

16.5. COSTS, EXPENSES AND TAXES. Borrower agrees to pay on demand all costs and expenses of the Banks and Agent, including (i) reasonable out-of-pocket expenses of Agent (including the expenses of in-house counsel) in connection with the negotiation and documentation of this credit agreement, the Notes, the collection and disbursement of all funds hereunder and the other instruments and documents to be delivered hereunder, (ii) the reasonable fees and out-of-pocket expenses of any special counsel for the Agent, with respect thereto and of local counsel, if any, who may be retained by said special counsel with respect thereto, and (iii) all costs and expenses, if any, in connection with any Event of Default or the enforcement of this credit agreement or the Notes. In addition, Borrower shall pay any and all stamp and other taxes and fees payable or determined to be payable in connection with the execution and delivery of this credit agreement or the Notes, and the other instruments and documents to be delivered hereunder, and agrees to save Agent and each Bank harmless from and against any and all liabilities with respect to or resulting from any delay in payment or omission to pay such taxes or fees.

16.6. SALE OF PARTICIPATION. Each Bank has the right at any time to sell a participation in the Debt to any other bank upon the written consent of Borrower and Agent, which will not be unreasonably withheld; provided, that each such participation shall equal at least Ten Million Dollars (\$10,000,000). No Bank shall be released from any of its obligations hereunder by virtue of any such sale of a participation.

16.7. OBLIGATIONS SEVERAL; NO FIDUCIARY OBLIGATIONS. The obligations of the Banks hereunder are several and not joint. Nothing contained in this credit agreement and no action taken by Agent or the Banks pursuant hereto shall be deemed to constitute the Banks a partnership, association, joint venture or other entity. No default by any Bank hereunder shall excuse the other Banks from any obligation under this credit agreement; but no Bank shall have or acquire any additional obligation of any kind by reason of such default. The relationship among Borrower and the Banks with respect to this credit agreement, any Note and any Related Writing is and shall be solely that of debtor and creditor, respectively, and no Bank has any fiduciary obligation toward Borrower with respect to any such documents or the transactions contemplated thereby.

16.8. EXECUTION IN COUNTERPARTS. This credit agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

16.9. BINDING EFFECT; ASSIGNMENT. This credit agreement shall become effective when it shall have been executed by Borrower, Agent and by each Bank and thereafter shall be binding upon and inure to the benefit of Borrower and each of the Banks and their respective successors and assigns, except that Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of all of the Banks. No person, other than the Banks, shall have or acquire any obligation to grant Borrower any loans hereunder.

16.10. GOVERNING LAW. This credit agreement, each of the Notes and any Related Writing shall be governed by and construed in accordance with the laws of the State of Ohio and the respective rights and obligations of Borrower and the Banks shall be governed by Ohio law, without regard to principles of conflict of laws.

16.11. SEVERABILITY OF PROVISIONS; CAPTIONS. Any provision of this credit agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction. The several captions to Sections and Subsections herein are inserted for convenience only and shall be ignored in interpreting the provisions of this credit agreement.

16.12. INVESTMENT PURPOSE. Each of the Banks represents and warrants to Borrower that it is entering into this credit agreement with the present intention of acquiring any Note issued pursuant hereto solely in connection with such Bank's commercial lending activities and not for the purpose of distribution or resale; that it shall take no action which would require the registration of the Notes under Section 5 of the Securities Act of 1933, it being understood,

however, that each Bank shall at all times retain full control over the disposition of its assets.

16.13. CAPITAL ADEQUACY. If any Bank shall have determined, after the date hereof, that the adoption of any applicable law, rule, regulation or guideline regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Bank (or its lending office) with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on such Bank's capital (or the capital of its holding company) as a consequence of its obligations hereunder to a level below that which such Bank (or its holding company) could have achieved but for such adoption, change or compliance (taking into consideration such Bank's policies or the policies of its holding company with respect to capital adequacy) by an amount deemed by such Bank to be material, then from time to time, within 15 days after demand by such Bank (with a copy to the Agent), Borrower shall pay to such Bank such additional amount or amounts as will compensate such Bank (or its holding company) for such reduction. Each Bank will designate a different lending office if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the judgment of such Bank, be otherwise disadvantageous to such Bank. A certificate of any Bank claiming compensation under this Section and setting forth the additional amount or amounts to be paid to it hereunder shall be conclusive in the absence of manifest error. In determining such amount, such Bank may use any reasonable averaging and attribution methods. Failure on the part of any Bank to demand compensation for any reduction in return on capital with respect to any period shall not constitute a waiver of such Bank's rights to demand compensation for any reduction in return on capital in such period or in any other period. The protection of this Section shall be available to each Bank regardless of any possible contention of the invalidity or inapplicability of the law, regulation or other condition which shall have been imposed.

16.14. ENTIRE AGREEMENT. This credit agreement, any Note and any other agreement, document or instrument attached hereto or referred to herein or executed on or as of the date hereof integrate all the terms and conditions mentioned herein or incidental hereto and supersede all oral representations and negotiations and prior writings with respect to the subject matter hereof.

17. DEFINITIONS. As used herein,

"Adjusted LIBOR" shall mean a rate per annum equal to the quotient obtained (rounded upwards, if necessary, to the nearest 1/100th of 1%) by dividing (i) the applicable LIBOR rate by (ii) 1.00 minus the Reserve Percentage;

"Advantage" shall mean any payment (whether made voluntarily or involuntarily, by offset of any deposit or other indebtedness or otherwise)

received by any Bank in respect of Borrower's Debt to the Banks if such payment results in that Bank having a lesser share of Borrower's Debt to the Banks, than was the case immediately before such payment;

"C/D Reference Bank" shall mean Society National Bank;

"Cleveland banking day" shall mean a day on which the main office of the Agent is open for the transaction of business;

"Commitment" shall mean the obligation hereunder of each Bank to make loans up to the amount set opposite such Bank's name appearing in Subsection 3.1 hereof during the Commitment Period (or such lesser amount as shall be determined pursuant to Subsection 3.2 hereof);

"Commitment Period" shall mean the period from the date hereof through April 30, 1997, as such date may be extended pursuant to Subsection 3.4 hereof;

"Consolidated Net Worth" shall mean the excess of the net book value (after deduction of all applicable reserves and excluding any re-appraisal or write-up of assets) of the assets (other than patents, good will and similar intangibles) of Borrower and its Subsidiaries over all of their liabilities (other than any liabilities Subordinated, by writing in form and substance satisfactory to the Banks, in favor of all of Borrower's Debt to the Banks and other than deferred taxes on income payable after December 31, 1996) as determined on a consolidated basis in accordance with generally accepted accounting principles applied on a basis not inconsistent with their present accounting procedures;

"Debt" shall mean, collectively, all indebtedness incurred by Borrower to the Banks pursuant to this credit agreement and includes all indebtedness incurred under the letters of credit issued hereunder, the principal of and interest on all Notes and each extension, renewal or refinancing thereof in whole or in part, the commitment fees, L/C Fees, Administrative Fees, facility fees, the Agent's fees, the participation fees and any prepayment premium payable hereunder;

"Domestic Base Rate" shall mean a rate per annum determined pursuant to the following formula:

$$\begin{aligned} \text{DBR} &= \frac{(\text{Dom. CD})}{(1.00 - \text{RP})} + \text{AR} \\ \text{DBR} &= \text{Domestic Base Rate} \end{aligned}$$

Dom. CD = Domestic C/D Rate RP = Domestic Reserve Percentage AR = Assessment Rate

*The amount in brackets being rounded upwards, if necessary, to the nearest 1/100 of 1%.

"Domestic C/D Rate" shall mean with respect to each Domestic Interest Period the rate of interest determined by the Agent to be the

arithmetic average (rounded upwards, if necessary, to the nearest 1/100 of 1%) of the prevailing rates per annum bid at 10:00 a.m. (Cleveland, Ohio time) (or as soon thereafter as practicable) on the first day of the relevant Domestic Interest Period by New York certificate of deposit dealers of recognized standing to the C/D Reference Bank and reported to the Agent by two or more such dealers for the purchase at face value from the C/D Reference Bank of its certificates of deposit in an amount approximately equal or comparable to the C/D Reference Bank's pro rata share of such Domestic Fixed Rate Loans and having a maturity of 30, 60, 90 or 180 days, as selected by Borrower;

"Domestic Reserve Percentage" shall mean for any day that percentage (expressed as a decimal) which is in effect on such day, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, all basic, supplemental, marginal and other reserves and taking into account any transitional adjustments or other scheduled changes in reserve requirements) for a member bank of the Federal Reserve System in Cleveland, Ohio, in respect of new nonpersonal time deposits in dollars in the United States, having a maturity comparable to the related Domestic Interest Period and in an amount of One Hundred Thousand Dollars (\$100,000.00) or more. The Domestic Base Rate shall be adjusted automatically on and as of the effective date of any change in the Domestic Reserve Percentage;

"Assessment Rate" shall mean for any Domestic Interest Period the net annual assessment rate (rounded upwards, if necessary, to the next higher 1/100th of 1%) actually incurred by Agent to the Federal Deposit Insurance Corporation (or any successor) for such corporation's (or such successor's) insuring deposits in United States dollars at the offices of Agent in the United States during the most recent period for which such rate has been determined prior to the commencement of such Domestic Interest Period. The Domestic Base Rate shall be automatically adjusted on and as of the effective date of any change in the Assessment Rate;

"Domestic Fixed Rate" shall mean a rate per annum equal to the sum of the Domestic Margin plus the Domestic Base Rate;

"Domestic Fixed Rate Loans" shall mean those loans described in Section 3 hereof on which Borrower shall pay interest at a rate based on the applicable Domestic Fixed Rate;

"Domestic Interest Period" shall mean a period of 30, 60, 90 or 180 days (as selected by Borrower) commencing on the applicable borrowing date of each Domestic Fixed Rate Loan and on each Interest Adjustment Date as the case may be;

"Domestic Margin" shall mean three-fourths percent (3/4 of 1%) for all Domestic Fixed Rate Loans;

"Environmental Laws" shall mean all provisions of law, statutes, ordinances, rules, regulations, permits, licenses, judgments, writs,

injunctions, decrees, orders, awards and standards promulgated by the government of the United States of America or by any state or municipality thereof or by any court, agency, instrumentality, regulatory authority or commission of any of the foregoing concerning health, safety and protection of, or regulation of the discharge of substances into, the environment;

"ERISA Affiliate" shall mean any Subsidiary and any other trade or business (whether or not incorporated) which would be deemed to be under common control with Borrower and its Subsidiaries under Section 414(b) or 414(c) of the Internal Revenue Code of 1986, as amended from time to time;

"Eurocurrency Liabilities" has the meaning assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time;

"Funded Indebtedness" shall mean indebtedness for borrowed money (including current maturities of such indebtedness) which (including any renewal or extension in whole or in part) matures or remains unpaid for more than twelve (12) months after the date on which originally incurred;

"Guarantor" shall mean one who pledges his credit or property in any manner for the payment or other performance of the indebtedness, contract or other obligation of another and includes (without limitation) any guarantor (whether of payment or of collection), surety, co-maker, endorser or one who agrees conditionally or otherwise to make any purchase, loan or investment in order thereby to enable another to prevent or correct a default of any kind;

"Interest Adjustment Date" shall mean the last day of each Interest Period or each Transaction Interest Period or each Domestic Interest Period, as the case may be;

"Interest Period" shall mean a period of one, two, three or six months (as selected by Borrower) commencing on the applicable borrowing or conversion date of each LIBOR Loan Interest Adjustment Date, as the case may be;

"LIBOR" shall mean the average (rounded upward to the nearest 1/16th of 1%) of the per annum rates at which deposits in immediately available funds in United States dollars for the relevant Interest Period and in the amount of the LIBOR Loan to be disbursed or to remain outstanding during such Interest Period, as the case may be, are offered to the Reference Bank by prime banks in any Eurodollar market reasonably selected by the Reference Bank, determined as of 11:00 a.m. London time (or as soon thereafter as practicable), two (2) London banking days prior to the beginning of the relevant Interest Period pertaining to a LIBOR Loan hereunder;

"LIBOR Loans" shall mean those loans described in Section 3 hereof on which Borrower shall pay interest at a rate based on LIBOR;

"LIBOR Margin" shall mean five-eighths percent (5/8 of 1%) for all LIBOR Loans;

"London banking day" shall mean a day on which banks are open for business in London, England, and quoting deposit rates for dollar deposits;

"Net Earnings" shall mean Borrower's net earnings (other than any gain attributable to the write-up or re-valuation of any asset or any non-cash gain or loss attributable to the sale of any asset other than inventory) as determined after taxes (excluding deferred taxes) imposed on Borrower, in accordance with generally accepted accounting principles;

"Note" or "Notes" shall mean a note or notes executed and delivered pursuant to Section 3 hereof;

"Partnership Agreement" shall mean the Third Amended and Restated Agreement of Limited Partnership of Borrower, dated as of April 27, 1987 and as amended December 31, 1988 and December 31, 1992;

"Plan" shall mean any employee pension benefit plan subject to Title IV of the Employee Retirement Income Security Act of 1974, as amended, established or maintained by Borrower or any Subsidiary of which covers employees or trades or businesses which are under common control with Borrower or any Subsidiary, or any such Plan to which Borrower or any Subsidiary is required to contribute on behalf of any of its employees or employees of trades or businesses which are under common control;

"Possible Default" shall mean an event, condition or thing which constitutes, or which with the lapse of any applicable grace period or the giving of notice or both would constitute any event of default referred to in Section 13 hereof and which has not been appropriately waived by Banks in writing in accordance with Subsection 16.3 hereof or fully corrected prior to becoming an actual event of default;

"Prime Rate" shall mean that interest rate established from time to time by the Agent as the Agent's Prime Rate, whether or not such rate is publicly announced; the Prime Rate may not be the lowest interest rate charged by Agent for commercial or other extensions of credit. Any change in the Prime Rate shall be effective hereunder immediately from and after the effective date of change in such rate by Agent;

"Prime Rate Loans" shall mean those loans described in Section 3 hereof on which the Borrower shall pay interest at a rate based on the Prime Rate;

"Receivable" shall mean a claim for moneys due or to become due, whether classified as a contract right, account, chattel paper, instrument, general intangible or otherwise;

"Reference Bank" shall mean Society National Bank;

"Regulatory Change" shall mean, as to any Bank, any change in United States federal, state or foreign laws or regulations or the adoption or making of any interpretations, directives or requests of or under any United States federal, state or foreign laws or regulations (whether or not having the force of law) by any court or governmental authority charged with the interpretation or administration thereof, excluding, however, any

such change which results in an adjustment of the Assessment Rate or the Domestic Reserve Percentage and the effect of which is reflected in a change in the Domestic Base Rate;

"Related Writing" shall mean any assignment, mortgage, security agreement, subordination agreement, or other writing certified as true and correct by Borrower or any of its Subsidiaries pursuant to or otherwise in connection with this credit agreement;

"Reportable Event" shall mean a reportable event as that term is defined in Title IV of the Employee Retirement Income Security Act of 1974, as amended, except actions of general applicability by the Secretary of Labor under Section 110 of such Act; and a "Thirty-Day Reportable Event" is a Reportable Event with respect to which the Thirty-Day notice requirement has not been waived by the Pension Benefit Guaranty Corporation;

"Reserve Percentage" shall mean for any day that percentage (expressed as a decimal) which is in effect on such day, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, all basic, supplemental, marginal and other reserves and taking into account any transitional adjustments or other scheduled changes in reserve requirements) for a member bank of the Federal Reserve System in Cleveland, Ohio, in respect of "Eurocurrency Liabilities". The Adjusted LIBOR shall be adjusted automatically on and as of the effective date of any change in the Reserve Percentage;

"Revolving Credit Loan" shall mean a loan obtained pursuant to Subsection 3.1 hereof, and "Revolving Credit Note" shall mean a note executed and delivered pursuant to Subsection 3.1 hereof;

"Senior Debt" shall mean the One Hundred Million Dollar (\$100,000,000) Private Shelf Facility created under the Private Shelf Agreement by and between Borrower and The Prudential Insurance Company of America, dated August 24, 1994;

"Subordinated" as applied to indebtedness, shall mean that the indebtedness has been subordinated (by written terms or agreement being in form and substance satisfactory to the Banks) in favor of the prior payment in full of the Debt to the Banks;

"Subsidiary" shall mean any existing or future corporation or partnership, the majority of the outstanding capital stock or voting power, or both, of which is (or upon the exercise of all outstanding warrants, options and other rights would be) owned at the time in question by Borrower or by another such corporation or partnership or by any combination of Borrower and such corporations or partnerships;

"Transaction Interest Period" shall mean a period of 1 to 60 days (as selected by Borrower)commencing on the applicable borrowing date for each Transaction Loan or on each Interest Adjustment Date with respect thereto;

"Transaction Loans" shall mean those loans described in Section 3 hereof on which Borrower shall pay interest at a rate based on the applicable Transaction Rate;

"Transaction Rate" shall mean the per annum rate quoted by Agent to Borrower at the time Borrower requests or renews a Transaction Loan, which rate shall remain in effect during the applicable Transaction Interest Period pertaining to such Transaction Loan, it being understood that such quoted rate shall never be less than the highest transaction or other comparable rate quoted by the other Banks to the Agent at the time of such request or renewal, as the case may be;

Any accounting term not covered by a specific definition in this

Section 17 shall have the meaning ascribed thereto in accordance with generally accepted accounting principles not inconsistent with Borrower's present accounting procedures; and the foregoing definitions shall be applicable to the singulars and plurals of the foregoing defined terms.

18. NO RECOURSE. Notwithstanding any other provision contained in this credit agreement or in any Note delivered hereby, the Banks agree that no recourse under or in respect of this credit agreement or the Notes shall be had against any partner, shareholder of a partner or partner of a partner of Borrower by the enforcement of any assessment or by any legal or equitable proceeding by virtue of statute or otherwise, it being expressly agreed that no personal liability whatsoever shall attach to or be incurred by the partners, shareholders of partners or partners of partners of Borrower or any of them under or by reason of this credit agreement or the Notes; provided, that the foregoing limitation of liability shall in no way constitute a limitation on the right of the holders of the Notes to enforce their remedies against Borrower's assets for the collection of amounts due and owing under the Notes or any other obligation of Borrower contemplated by this credit agreement.

19. TERMINATION OF PRIOR CREDIT AGREEMENT. Upon the payment in full of all principal of, and interest and fees accruing on or with respect to, the notes delivered to the Banks pursuant to the credit agreement made as of February 23, 1990, as amended, by and among Borrower, the Banks, and the Agent as agent for the Banks, such credit agreement shall be terminated in accordance with its terms and the notes cancelled and returned to Borrower.

20. JURY TRIAL WAIVER. BORROWER AND EACH OF THE BANKS WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, AMONG BORROWER AND THE BANKS, OR ANY THEREOF, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS CREDIT AGREEMENT OR ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS RELATED THEREOF.

Address: P. O. Box 5006
Sandusky, Ohio 44871-8006

CEDAR FAIR, L.P.

By: Cedar Fair Management Company,
Managing General Partner

By: Thomas W. Salamone

Title: Treasurer

Address: 127 Public Square

SOCIETY NATIONAL BANK, individually

Cleveland, Ohio 44114-1306 and as Agent

By: Richard A. Pohle

Title: Vice President

Address: Attn: Midwest Banking
Division
611 Woodward Avenue
Detroit, Michigan 48226

NBD BANK, N.A.

By: Lisa A. Ferris

Title: Vice President

Address: 1900 East 9th Street
Cleveland, Ohio 44114

NATIONAL CITY BANK

By: Michael P. Burns

Title: Vice President

REVOLVING CREDIT NOTE

\$38,000,000.00 Cleveland, Ohio, October 6, 1994

FOR VALUE RECEIVED, the undersigned, CEDAR FAIR, L.P. (the "Borrower") promises to pay on the last day of the Commitment Period to the order of SOCIETY NATIONAL BANK (the "Bank") at the Main Office of Society National Bank, 127 Public Square, Cleveland, Ohio 44114-1306, the principal sum of

THIRTY-EIGHT MILLION AND 00/100 ----- DOLLARS

or the aggregate unpaid principal amount of all loans evidenced by this note made by the Bank to Borrower pursuant to Subsection 3.1 of the credit agreement hereinafter referred to, whichever is less, in lawful money of the United States of America. Capitalized terms used herein shall have the meanings ascribed to them in said credit agreement.

Borrower promises also to pay interest on the unpaid principal amount of each loan from time to time outstanding from the date of such loan until the payment in full thereof at the rates per annum which shall be determined in accordance with the provisions of Subsection 3.1 of the credit agreement. Said interest shall be payable on each date provided for in Subsection 3.1; provided, however, that interest on any principal portion which is not paid when due shall be payable on demand.

The portions of the principal sum hereof from time to time representing Prime Rate Loans, Domestic Fixed Rate Loans, LIBOR Loans and Transaction Loans, and payments of principal of any thereof, will be shown on the grid(s) attached hereto and made a part hereof, or the Bank shall record such information by such other method as the Bank may generally employ; provided, however, that failure to make any such entry shall in no way detract from Borrower's obligations under this note. All loans by the Bank to Borrower pursuant to the credit agreement and all payments on account of principal hereof shall be recorded by the Bank prior to transfer hereof and endorsed on such grid(s).

If this note shall not be paid at maturity, whether such maturity occurs by reason of lapse of time or by operation of any provision for acceleration of maturity contained in the credit agreement hereinafter referred to, the principal hereof and the unpaid interest thereon through the date of maturity shall bear interest, from the date of such nonpayment until paid, for Prime Rate Loans, Domestic Fixed Rate Loans, LIBOR Loans and Transaction Loans at a rate per annum which shall be equal to two per cent (2%) in excess of the Prime Rate from time to time in effect. All payments of principal of and interest on this note shall be made in immediately available funds.

This note is one of the Revolving Credit Notes referred to in the credit agreement dated as of October 6, 1994, as the same may be amended from time to time, between Borrower, the Banks named therein and Society

National Bank, as Agent. Reference is made to such credit agreement for a description of the right of the undersigned to anticipate payments hereof, the right of the holder hereof to declare this note due prior to its stated maturity, and other terms and conditions upon which this note is issued.

The holder hereof agrees that no recourse under or in respect of this note shall be had against any partner, shareholder of a partner or partner of a partner of Borrower by the enforcement of any assessment or by any legal or equitable proceedings, by virtue of statute or otherwise, it being expressly agreed that no personal liability whatsoever shall attach to or be incurred by the aforesaid partners, shareholders of partners or partners of partners or any of them under or by reason of this note; provided that the foregoing limitation of liability shall in no way constitute a limitation on the right of the holder of this note to enforce its remedies against Borrower's assets for the collection of amounts due and owing hereunder or under the credit agreement.

Address: P. O. Box 5006
Sandusky, Ohio
44871-8006

CEDAR FAIR, L.P.

By: Cedar Fair Management Company,
Managing General Partner

By: Thomas W. Salamone

Title: Treasurer

REVOLVING CREDIT NOTE

\$28,500,000.00 Cleveland, Ohio, October 6, 1994

FOR VALUE RECEIVED, the undersigned, CEDAR FAIR, L.P. (the "Borrower") promises to pay on the last day of the Commitment Period to the order of NBD BANK, N.A. (the "Bank") at the Main Office of Society National Bank, 127 Public Square, Cleveland, Ohio 44114-1306, the principal sum of

TWENTY-EIGHT MILLION FIVE HUNDRED THOUSAND AND 00/100 - - DOLLARS

or the aggregate unpaid principal amount of all loans evidenced by this note made by the Bank to Borrower pursuant to Subsection 3.1 of the credit agreement hereinafter referred to, whichever is less, in lawful money of the United States of America. Capitalized terms used herein shall have the meanings ascribed to them in said credit agreement.

Borrower promises also to pay interest on the unpaid principal amount of each loan from time to time outstanding from the date of such loan until the payment in full thereof at the rates per annum which shall be determined in accordance with the provisions of Subsection 3.1 of the credit agreement. Said interest shall be payable on each date provided for in Subsection 3.1; provided, however, that interest on any principal portion which is not paid when due shall be payable on demand.

The portions of the principal sum hereof from time to time representing Prime Rate Loans, Domestic Fixed Rate Loans, LIBOR Loans and Transaction Loans, and payments of principal of any thereof, will be shown on the grid(s) attached hereto and made a part hereof, or the Bank shall record such information by such other method as the Bank may generally employ; provided, however, that failure to make any such entry shall in no way detract from Borrower's obligations under this note. All loans by the Bank to Borrower pursuant to the credit agreement and all payments on account of principal hereof shall be recorded by the Bank prior to transfer hereof and endorsed on such grid(s).

If this note shall not be paid at maturity, whether such maturity occurs by reason of lapse of time or by operation of any provision for acceleration of maturity contained in the credit agreement hereinafter referred to, the principal hereof and the unpaid interest thereon through the date of maturity shall bear interest, from the date of such nonpayment until paid, for Prime Rate Loans, Domestic Fixed Rate Loans, LIBOR Loans and Transaction Loans at a rate per annum which shall be equal to two per cent (2%) in excess of the Prime Rate from time to time in effect. All payments of principal of and interest on this note shall be made in immediately available funds.

This note is one of the Revolving Credit Notes referred to in the credit agreement dated as of October 6, 1994, as the same may be amended from time to time, between Borrower, the Banks named therein and Society National Bank, as Agent. Reference is made to such credit agreement for a

description of the right of the undersigned to anticipate payments hereof, the right of the holder hereof to declare this note due prior to its stated maturity, and other terms and conditions upon which this note is issued.

The holder hereof agrees that no recourse under or in respect of this note shall be had against any partner, shareholder of a partner or partner of a partner of Borrower by the enforcement of any assessment or by any legal or equitable proceedings, by virtue of statute or otherwise, it being expressly agreed that no personal liability whatsoever shall attach to or be incurred by the aforesaid partners, shareholders of partners or partners of partners or any of them under or by reason of this note; provided that the foregoing limitation of liability shall in no way constitute a limitation on the right of the holder of this note to enforce its remedies against Borrower's assets for the collection of amounts due and owing hereunder or under the credit agreement.

Address: P. O. Box 5006
Sandusky, Ohio
44871-8006

CEDAR FAIR, L.P.

By: Cedar Fair Management Company,
Managing General Partner

By: Thomas W. Salamone

Title: Treasurer

REVOLVING CREDIT NOTE

\$28,500,000.00 Cleveland, Ohio, October 6, 1994

FOR VALUE RECEIVED, the undersigned, CEDAR FAIR, L.P. (the "Borrower") promises to pay on the last day of the Commitment Period to the order of NATIONAL CITY BANK (the "Bank") at the Main Office of Society National Bank, 127 Public Square, Cleveland, Ohio 44114-1306, the principal sum of

TWENTY-EIGHT MILLION FIVE HUNDRED THOUSAND AND 00/100 - - DOLLARS

or the aggregate unpaid principal amount of all loans evidenced by this note made by the Bank to Borrower pursuant to Subsection 3.1 of the credit agreement hereinafter referred to, whichever is less, in lawful money of the United States of America. Capitalized terms used herein shall have the meanings ascribed to them in said credit agreement.

Borrower promises also to pay interest on the unpaid principal amount of each loan from time to time outstanding from the date of such loan until the payment in full thereof at the rates per annum which shall be determined in accordance with the provisions of Subsection 3.1 of the credit agreement. Said interest shall be payable on each date provided for in Subsection 3.1; provided, however, that interest on any principal portion which is not paid when due shall be payable on demand.

The portions of the principal sum hereof from time to time representing Prime Rate Loans, Domestic Fixed Rate Loans, LIBOR Loans and Transaction Loans, and payments of principal of any thereof, will be shown on the grid(s) attached hereto and made a part hereof, or the Bank shall record such information by such other method as the Bank may generally employ; provided, however, that failure to make any such entry shall in no way detract from Borrower's obligations under this note. All loans by the Bank to Borrower pursuant to the credit agreement and all payments on account of principal hereof shall be recorded by the Bank prior to transfer hereof and endorsed on such grid(s).

If this note shall not be paid at maturity, whether such maturity occurs by reason of lapse of time or by operation of any provision for acceleration of maturity contained in the credit agreement hereinafter referred to, the principal hereof and the unpaid interest thereon through the date of maturity shall bear interest, from the date of such nonpayment until paid, for Prime Rate Loans, Domestic Fixed Rate Loans, LIBOR Loans and Transaction Loans at a rate per annum which shall be equal to two per cent (2%) in excess of the Prime Rate from time to time in effect. All payments

of principal of and interest on this note shall be made in immediately available funds.

This note is one of the Revolving Credit Notes referred to in the credit agreement dated as of October 6, 1994, as the same may be amended from time to time, between Borrower, the Banks named therein and Society National Bank, as Agent. Reference is made to such credit agreement for a description of the right of the undersigned to anticipate payments hereof, the right of the holder hereof to declare this note due prior to its stated maturity, and other terms and conditions upon which this note is issued.

The holder hereof agrees that no recourse under or in respect of this note shall be had against any partner, shareholder of a partner or partner of a partner of Borrower by the enforcement of any assessment or by any legal or equitable proceedings, by virtue of statute or otherwise, it being expressly agreed that no personal liability whatsoever shall attach to or be incurred by the aforesaid partners, shareholders of partners or partners of partners or any of them under or by reason of this note; provided that the foregoing limitation of liability shall in no way constitute a limitation on the right of the holder of this note to enforce its remedies against Borrower's assets for the collection of amounts due and owing hereunder or under the credit agreement.

Address: P. O. Box 5006
Sandusky, Ohio
44871-8006

CEDAR FAIR, L.P.

By: Cedar Fair Management
Managing General Partner

By: Thomas W. Salamone

Title: Treasurer

LOANS AND PRINCIPAL PAYMENTS

		Amount			Amount	Amount			Name of
		of	Domestic	Amount	of	of	Unpaid	Person	
of Prime	Fixed of Trans-	Princi-	Princi-	Making	Rate	Rate	LIBOR	action	pal
pal	pal	Date	Loan	Loan	Loan	Loan	Prepaid	Balance	Notation

CEDAR FAIR, L.P.

PRIVATE SHELF AGREEMENT

\$100,000,000

PRIVATE SHELF FACILITY

Dated as of August 24, 1994

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(Not Part of Agreement)

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INFORMATION SCHEDULE

EXHIBIT A	--	FORM OF PRIVATE SHELF NOTE
EXHIBIT B	--	FORM OF REQUEST FOR PURCHASE
EXHIBIT C	--	FORM OF CONFIRMATION OF ACCEPTANCE
EXHIBIT D	--	FORM OF OPINION OF COMPANY'S COUNSEL
EXHIBIT E	--	LIST OF AGREEMENTS LIMITING DEBT

CEDAR FAIR, L.P.
One Causeway Drive
P.O. Box 5006
Sandusky, Ohio 44871

As of August 24, 1994

The Prudential Insurance Company

of America ("Prudential")

Each Prudential Affiliate (as hereinafter defined) which becomes bound by certain provisions of this Agreement as hereinafter provided (together with Prudential, the "Purchasers")

c/o Prudential Capital Group

Two Prudential Plaza

Suite 5600

Chicago, Illinois 60601

Gentlemen:

The undersigned, Cedar Fair, L.P., a Delaware limited partnership (herein called the "Company"), hereby agrees with you as follows:

1. **AUTHORIZATION OF ISSUE OF NOTES.** The Company will authorize the issue of (but, except as provided in paragraph 2B(5), shall not be obligated to issue) its senior promissory notes (herein called the "Notes") in the aggregate principal amount of \$100,000,000, to be dated the date of issue thereof, to mature, in the case of each Note so issued, no less than three years and no more than fifteen years after the date of original issuance thereof, to have a weighted average life of no more than twelve years, to bear interest on the unpaid balance thereof from the date thereof at the rate per annum with respect to such Note, and to have such other particular terms, as shall be set forth in the applicable Confirmation of Acceptance delivered pursuant to paragraph 2B(5), and to be substantially in the form of Exhibit A attached hereto. The terms "Note" and "Notes" as used herein shall include each Note delivered pursuant to any provision of this Agreement and each Note delivered in substitution or exchange for any such Note pursuant to any such provision. Notes which have (i) the same final maturity, (ii) the same principal prepayment dates, (iii) the same principal prepayment amounts (as a percentage of the original principal amount of each Note), (iv) the same interest rate, and (v) the same interest payment periods, are herein called a "Series" of Notes.

2B. PURCHASE AND SALE OF NOTES.

2B(1). Facility. Prudential is willing to consider, in its sole discretion and within limits which may be authorized for purchase by Prudential and Prudential Affiliates from time to time, the purchase of Notes pursuant to this Agreement. The willingness of Prudential to consider such purchase of Notes is herein called the "Facility". At any time, the aggregate principal amount of Notes stated in paragraph 1, minus the aggregate principal amount of Notes purchased and sold pursuant to this Agreement prior to such time, minus the aggregate principal amount of Accepted Notes (as hereinafter defined) which have not yet been purchased and sold hereunder prior to such time is herein called the "Available Facility Amount" at such time.

NOTWITHSTANDING THE WILLINGNESS OF PRUDENTIAL TO CONSIDER PURCHASES OF NOTES, THIS AGREEMENT IS ENTERED INTO ON THE EXPRESS UNDERSTANDING THAT NEITHER PRUDENTIAL NOR ANY PRUDENTIAL AFFILIATE SHALL BE OBLIGATED TO MAKE OR ACCEPT OFFERS TO PURCHASE NOTES, OR TO QUOTE RATES, SPREADS OR OTHER TERMS WITH RESPECT TO SPECIFIC PURCHASES OF NOTES, AND THE FACILITY SHALL IN NO WAY BE CONSTRUED AS A COMMITMENT BY PRUDENTIAL OR ANY PRUDENTIAL AFFILIATE.

2B(2). Issuance Period. Notes may be issued and sold pursuant to this Agreement until the earlier of (i) the second anniversary of the date of this Agreement and (ii) the thirtieth day after Prudential shall have given to the Company, or the Company shall have given to Prudential, a notice stating that it elects to terminate the Facility (or if such thirtieth day is not a Business Day, the Business Day next preceding such thirtieth day). The period during which Notes may be issued and sold pursuant to this Agreement is herein called the "Issuance Period".

2B(3). Request for Purchase. The Company may from time to time during the Issuance Period make requests for purchases of Notes (each such request being herein called a "Request for Purchase"). Each Request for Purchase shall be made to Prudential by telecopier and confirmed by nationwide overnight delivery service, and shall (i) specify the aggregate principal amount of Notes covered thereby, which shall not be less than \$10,000,000 and not be greater than the Available Facility Amount at the time such Request for Purchase is made, (ii) specify the principal amounts, final maturities and principal payment dates and amounts, (iii) specify the use of proceeds of such Notes, (iv) specify the proposed day for the closing of the purchase and sale of such Notes, which shall be a Business Day during the Issuance Period not less than 5 Business Days and not more than 25 Business Days after the Acceptance Day (if any) with respect

to such Request for Purchase, (v) specify the number of the account and the name and address of the depository institution to which the purchase prices of such Notes are to be transferred on the Closing Day for such purchase and sale, (vi) certify that the representations and warranties contained in paragraph 8 are true on and as of the date of such Request for Purchase except to the extent of changes caused by the transactions herein contemplated and that there exists on the date of such Request for Purchase no Event of Default or Default and (vii) be substantially in the form of Exhibit B attached hereto. Each Request for Purchase shall be in writing and shall be deemed made when received by Prudential.

2B(4). Rate Quotes. Not later than Three Business Days after the Company shall have given Prudential a Request for Purchase pursuant to paragraph 2B(3), Prudential may provide (by telephone promptly thereafter confirmed by telecopier, in each case no earlier than 9:30 A.M. and no later than 1:30 P.M. New York City local time) interest rate quotes for the several principal amounts, maturities, prepayment schedules and interest payment periods of Notes specified in such Request for Purchase. Each quote pursuant to this paragraph 2B(4) shall represent the fixed interest rate per annum payable on the outstanding principal balance of such Notes until such balance shall have become due and payable, at which Prudential or a Prudential Affiliate would be willing to purchase such Notes at 100% of the principal amount thereof.

2B(5). Acceptance. Within 30 minutes after Prudential shall have provided any interest rate quotes pursuant to paragraph 2B(4) or such shorter period as Prudential may specify to the Company (such period herein called the "Acceptance Window"), the Company may, subject to paragraph 2B(6), elect to accept such interest rate quotes. Such election shall be made by an Authorized Officer of the Company notifying Prudential by telephone or telecopier within the Acceptance Window (but not earlier than 9:30 A.M. or later than 2:00 P.M., New York City local time) that the Company elects to accept such interest rate quotes, specifying the Note (each such Note being herein called an "Accepted Note") as to which such acceptance (herein called an "Acceptance") relates. The day the Company notifies Prudential of an Acceptance with respect to any Accepted Notes is herein called the "Acceptance Day" for such Accepted Notes. Any interest rate quotes as to which Prudential does not receive an Acceptance within the Acceptance Window shall expire, and no purchase or sale of Notes hereunder shall be made based on such expired interest rate quotes. Subject to paragraph 2B(6) and the other terms and conditions hereof, the Company agrees to sell to Prudential or a Prudential Affiliate, and Prudential agrees to purchase, or to cause the purchase by a Prudential Affiliate of, the Accepted Notes. As soon as practicable following the Acceptance Day, the Company, Prudential and each Prudential Affiliate which is to purchase any such Accepted Notes will execute a confirmation of such Acceptance substantially in the

form of Exhibit C attached hereto (herein called a "Confirmation of Acceptance").

2B(6). Market Disruption. Notwithstanding the provisions of paragraph 2B(5), if Prudential shall have provided interest rate quotes pursuant to paragraph 2B(5) and thereafter, prior to the time an Acceptance with respect to such quotes shall have been notified to Prudential in accordance with paragraph 2B(5), there shall occur a general suspension, material limitation, or significant disruption of trading in securities generally on the New York Stock Exchange or in the market for U.S. Treasury securities or derivatives, then such interest rate quotes shall expire, and no purchase or sale of Notes hereunder shall be made based on such expired interest rate quotes. If the Company thereafter notifies Prudential of the Acceptance of any such interest rate quotes, such Acceptance shall be ineffective for all purposes of this Agreement, and Prudential shall promptly notify the Company that the provisions of this paragraph 2B(6) are applicable with respect to such Acceptance.

2B(7). Closing. Not later than 11:30 A.M. (New York City local time) on the Closing Day for any Accepted Notes, the Company will deliver to Prudential or the Prudential Affiliate listed in the Confirmation of Acceptance relating thereto at the offices of Prudential Capital Group, Two Prudential Plaza, Suite 5600, Chicago, Illinois 60601, the Notes to be purchased by such Purchaser in the form of a single Accepted Note for the Accepted Notes which have exactly the same terms (or such greater number of Notes in authorized denominations as such Purchaser may request) dated the Closing Day and registered in such Purchaser's name, against payment of the purchase price thereof by transfer of immediately available funds for credit to the Company's account specified in the Request for Purchase of such Notes. If the Company fails to tender to any Purchaser the Accepted Notes to be purchased by such Purchaser on the scheduled Closing Day for such Accepted Notes as provided above in this paragraph 2B(7), or any of the conditions specified in paragraph 3 shall not have been fulfilled by the time required on such scheduled Closing Day, the Company shall, prior to 1:00 P.M., New York City local time, on such scheduled Closing Day notify such Purchaser in writing whether (x) such closing is to be rescheduled (such rescheduled date to be a Business Day during the Issuance Period not less than one Business Day and not more than 10 Business Days after such scheduled Closing Day (the "Rescheduled Closing Day") and certify to such Purchaser that the Company reasonably believes that it will be able to comply with the conditions set forth in paragraph 3 on such Rescheduled Closing Day and that the Company will pay the Delayed Delivery Fee in accordance with paragraph 2B(8)(ii) or (y) such closing is to be cancelled as provided in paragraph 2B(8)(iii). In the event that the Company shall fail to give such notice referred to in the preceding sentence, Prudential (on behalf of each Purchaser) may at its election, at any time after 1:00 P.M., New York City local time, on such scheduled Closing Day, notify the Company in writing that

such closing is to be cancelled as provided in paragraph 2B(8)(iii).

2B(8). Fees.

2B(8)(i) Facility Fee. The Company will pay to Prudential in immediately available funds a fee (herein called the "Facility Fee") on each Closing Day (other than the first such Closing Day, on which no Facility Fee shall be due) in an amount equal to 0.15% of the aggregate principal amount of Notes sold on such Closing Day.

2B(8)(ii) Delayed Delivery Fee. If the closing of the purchase and sale of any Accepted Note is delayed for any reason beyond the original Closing Day for such Accepted Note (other than the failure of a Purchaser to fund the purchase of an Accepted Note after all conditions to closing specified in paragraph 3 have been timely satisfied), the Company will pay to Prudential (for the benefit of the Purchasers) on the last Business Day of each calendar month, commencing with the first such day to occur more than 30 days after the Acceptance Day for such Accepted Note and ending with the last such day to occur prior to the Cancellation Date or the actual closing date of such purchase and sale, and on the Cancellation Date or actual closing date of such purchase and sale, a fee (herein called the "Delayed Delivery Fee") calculated as follows:

$(BEY - MMY) \times DTS / 360 \times PA$

where "BEY" means Bond Equivalent Yield, i.e., the bond equivalent yield per annum of such Accepted Note; "MMY" means Money Market Yield, i.e., the yield per annum on a commercial paper investment of the highest quality selected by Prudential on the date Prudential receives notice of the delay in the closing for such Accepted Notes having a maturity date or dates the same as, or closest to, the Rescheduled Closing Day or Rescheduled Closing Days (a new alternative investment being selected by Prudential each time such closing is delayed); "DTS" means Days to Settlement, i.e., the number of actual days elapsed from and including the originally scheduled Closing Day with respect to such Accepted Note (in the case of the first such payment with respect to such Accepted Note) or from and including the date of the next preceding payment (in the case of any subsequent delayed delivery fee payment with respect to such Accepted Note) to but excluding the date of such payment; and "PA" means Principal Amount, i.e., the principal amount of the Accepted Note for which such calculation is being made. In no case shall the Delayed Delivery Fee be less than zero. Nothing contained herein shall obligate any Purchaser to purchase any Accepted Note on any day other than the Closing Day for such Accepted Note, as the same may be rescheduled from time to time in compliance with paragraph 2B(7).

2B(8)(iii) Cancellation Fee. If the Company at any time

notifies Prudential in writing that the Company is cancelling the closing of the purchase and sale of any Accepted Note, or if Prudential notifies the Company in writing under the circumstances set forth in the last sentence of paragraph 2B(7) that the closing of the purchase and sale of any Accepted Note is to be cancelled, or if the closing of the purchase and sale of any Accepted Note is not consummated on or prior to the last day of the Issuance Period (the date of any such notification, or the last day of the Issuance Period, as the case may be, being herein called the "Cancellation Date"), the Company will pay to Prudential (for the benefit of the Purchasers) in immediately available funds an amount (the "Cancellation Fee") calculated as follows:

PI X PA

where "PI" means Price Increase, i.e., the quotient (expressed in decimals) obtained by dividing (a) the excess of the ask price (as determined by Prudential) of the Hedge Treasury Note(s) on the Cancellation Date over the bid price (as determined by Prudential) of the Hedge Treasury Note(s) on the Acceptance Day for such Accepted Note by (b) such bid price; and "PA" has the meaning ascribed to it in paragraph 2B(8)(ii). The foregoing bid and ask prices shall be as reported by Telerate Systems, Inc. (or, if such data for any reason ceases to be available through Telerate Systems, Inc., any publicly available source of similar market data). Each price shall be based on a U.S. Treasury security having a par value of \$100.00 and shall be rounded to the second decimal place. In no case shall the Cancellation Fee be less than zero.

3. CONDITIONS OF CLOSING. The obligation of any Purchaser to purchase any Accepted Notes is subject to the satisfaction, on or before the applicable Closing Day for such Accepted Notes, of the following conditions:

3A. Opinion of Company's Counsel. On each Closing Day, such Purchaser shall have received from Squire, Sanders & Dempsey, special counsel to the Company, or other counsel designated by the Company and acceptable to such Purchaser, a favorable opinion satisfactory to the Purchaser and substantially in the form of Exhibit D attached hereto and as to such other matters as such Purchaser may reasonably request. The Company hereby directs such counsel to deliver such opinion, and agrees that the issuance and sale of any Notes will constitute a reconfirmation of such direction.

3B. Opinion of Purchaser's Special Counsel. Such Purchaser shall have received from James F. Evert, Assistant General Counsel of Prudential, or such other counsel who is acting as counsel for it in connection with this transaction, a favorable opinion satisfactory to such Purchaser as to such matters incident to the matters herein contemplated as it may reasonably request.

3C. Representations and Warranties; No Default. The representations and warranties contained in paragraph 8 shall be true on and as of the applicable Closing Day, except to the extent of changes caused by the transactions herein contemplated; there shall exist on the applicable Closing Day no Default or Event of Default (assuming, if no Note is outstanding on such Closing Day, that paragraph 6 hereof is then in effect); and the Company shall have delivered to each Purchaser an Officer's Certificate, dated the applicable Closing Day, to both such effects.

3D. Fees. On or before each Closing Day, the Company shall have paid to Prudential any fee required by paragraphs 2B(8)(i) and 2B(8)(ii).

3E. Purchase Permitted By Applicable Laws. The purchase of and payment for the Notes to be purchased on the applicable Closing Day on the terms and conditions herein provided

(including the use of the proceeds of such Notes by the Company)

shall not violate any applicable law or governmental regulation (including, without limitation, section 5 of the Securities Act or Regulation G, T or X of the Board of Governors of the Federal Reserve System) and shall not subject any Purchaser to any tax, penalty, liability or other onerous condition under or pursuant to any applicable law or governmental regulation, and such Purchaser shall have received such certificates or other evidence as such Purchaser may reasonably request to establish compliance with this condition.

3F. Proceedings. All corporate and other proceedings taken or to be taken in connection with the transactions contemplated hereby and all documents incident thereto shall be satisfactory in substance and form to each Purchaser, and each Purchaser shall have received all such counterpart originals or certified or other copies of such documents as it may reasonably request.

4. PREPAYMENTS. The Notes shall be subject to prepayment with respect to the required prepayments specified in paragraph 4A and also under the circumstances set forth in paragraph 4B.

4A. Required Prepayment of Notes. Until a Series of Notes shall be paid in full, such Series of Notes shall be subject to such required prepayments, if any, as are set forth in such Series of Notes. Any prepayment made by the Company pursuant to any other provision of this paragraph 4 shall not reduce or otherwise affect its obligation to make any scheduled prepayment as specified in each Series of Notes.

4B. Optional Prepayment With Yield-Maintenance Amount. The Notes of each Series shall be subject to optional prepayment, in whole or in part, in increments of \$100,000, and in a minimum amount of \$1,000,000, at the option of the Company, at 100% of the principal amount so prepaid plus interest thereon to the

prepayment date and the Yield-Maintenance Amount, if any, with respect to each such Note. Any partial prepayment of a Series of Notes pursuant to this paragraph 4B shall be applied in satisfaction of required payments of principal in inverse order of their scheduled due dates.

4C. Notice of Optional Prepayment. The Company shall give notice to the holder of each Note of a Series irrevocable written notice of any optional prepayment to be made pursuant to paragraph 4B with respect to such Series not less than 10 Business Days prior to the prepayment date, specifying (i) such prepayment date, (ii) the aggregate principal amount of the Notes of such Series to be prepaid on such date, (iii) the principal amount of the Notes of such holder to be prepaid on that date, and (iv) stating that such optional prepayment is to be made pursuant to paragraph 4B. Notice of optional prepayment having been given as aforesaid, the principal amount of the Notes specified in such notice, together with interest thereon to the prepayment date and together with the Yield-Maintenance Amount, if any, herein provided, shall become due and payable on such prepayment date. The Company shall, on or before the day on which it gives written notice of any prepayment pursuant to paragraph 4B, give telephonic notice of the principal amount of the Notes to be prepaid and the prepayment date to each Significant Holder which shall have designated a recipient for such notices in the purchaser schedule attached to the applicable Confirmation of Acceptance or by notice in writing to the Company.

4D. Application of Prepayments. In the case of each prepayment pursuant to paragraphs 4A or 4B of less than the entire unpaid principal amount of all outstanding Notes of any Series, the amount to be prepaid shall be applied pro rata to all outstanding Notes of such Series (including, for the purpose of this paragraph 4D only, all Notes of such Series prepaid or otherwise retired or purchased or otherwise acquired by the Company or any of its Subsidiaries or Affiliates other than by prepayment pursuant to paragraphs 4A or 4B) according to the respective unpaid principal amounts thereof.

4E. Retirement of Notes. The Company shall not, and shall not permit any of its Subsidiaries or Affiliates to, prepay or otherwise retire in whole or in part prior to their stated final maturity (other than by prepayment pursuant to paragraphs 4A or 4B or upon acceleration of such final maturity pursuant to paragraph 7A), or purchase or otherwise acquire, directly or indirectly, any Notes of any Series unless the Company or such Subsidiary or Affiliate shall have offered to prepay or otherwise retire or purchase or otherwise acquire, as the case may be, the same proportion of the aggregate principal amount of the Notes of such Series held by each holder of Notes of such Series at the time outstanding upon the same terms and conditions. Any Notes prepaid or otherwise retired or purchased or otherwise acquired by the Company or any of its Subsidiaries or Affiliates shall not

be deemed to be outstanding for any purpose under this Agreement, except as provided in paragraph 4D.

5. AFFIRMATIVE COVENANTS.

5A. Financial Statements. The Company covenants that it will deliver to each Significant Holder in triplicate:

(i) as soon as practicable and in any event within 60 days after the end of each quarterly period (other than the last quarterly period) in each fiscal year, consolidated statements of income, partners' equity or shareholders' equity (as the case may be) and cash flows of the Company and its Subsidiaries for (a) such quarterly period and (b) the period of four consecutive fiscal quarters ended on the last day of such quarterly period, and a consolidated balance sheet of the Company and its Subsidiaries as at the end of such quarterly period, setting forth in each case in comparative form figures for the corresponding period in the preceding fiscal year or years, all in reasonable detail and certified by an authorized financial officer of the Company, subject to changes resulting from year-end adjustments; provided, however, that delivery pursuant to clause (iii) below of copies of the Quarterly Report on Form 10-Q of the Company for such quarterly period filed with the Securities and Exchange Commission shall be deemed to satisfy the requirements of this clause (i);

(ii) as soon as practicable and in any event within 120 days after the end of each fiscal year, consolidated statements of income, partners' equity and cash flows of the Company and its Subsidiaries for such year, and a consolidated balance sheet of the Company and its Subsidiaries as at the end of such year, setting forth in each case in comparative form corresponding consolidated figures from the preceding annual audit, all in reasonable detail and satisfactory in form to the Required Holder(s), and reported on by independent public accountants of recognized national standing selected by the Company whose report shall be without limitation as to scope of the audit and satisfactory in substance to the Required Holder(s); provided, however, that delivery pursuant to clause (iii) below of copies of the Annual Report on Form 10-K of the Company for such fiscal year filed with the Securities and Exchange Commission shall be deemed to satisfy the requirements of this clause (ii);

(iii) promptly upon transmission thereof, copies of all such financial statements, proxy statements, notices and reports as the Company shall send to its Limited Partners generally and copies of all registration statements (without exhibits), other than registration statements on Form S-8 or any successor form, and all reports which it files with the Securities and Exchange Commission (or any governmental body

or agency succeeding to the functions of the Securities and Exchange Commission); and

(iv) with reasonable promptness, such other financial data (including, without limitation, consolidating financial statements and a copy of each other report submitted to the Company or any Subsidiary by independent accountants in connection with any annual, interim or special audit made by them of the books of the Company or any Subsidiary) as such Significant Holder may reasonably request.

Together with each delivery of financial statements required by clauses (i) and (ii) above, the Company will deliver to each Significant Holder an Officer's Certificate (a) setting forth (except to the extent specifically set forth in such financial statements) the aggregate amounts of interest accrued on Funded Debt and Current Debt of the Company and Subsidiaries during the fiscal period covered by such financial statements, and the aggregate amounts of depreciation on physical property charged on the books of the Company and Subsidiaries (if any) during such fiscal period, (b) demonstrating (with computations in reasonable detail) compliance by the Company and its Subsidiaries with paragraph 6A(2) (including, without limitation, identification of the most recent forty-five consecutive day period at all times during which Consolidated Debt did not exceed 60% of Gross Worth) and, to the extent Debt secured by Liens described in clauses (v) and (vi) of paragraph 6A(1) exceeds \$5,000,000, demonstrating compliance with clauses (v) and (vi) of paragraph 6A(1), in each case during and at the end of such fiscal period and (c) stating that there exists no Event of Default or Default or, if any Event of Default or Default exists, specifying the nature thereof, the period of existence thereof and what action the Company proposes to take with respect thereto. Together with each delivery of financial statements required by clause (ii) above, the Company will deliver to each Significant Holder a certificate of such accountants stating that, in making the audit necessary to the certification of such financial statements, they have obtained no knowledge of any Event of Default or Default, or, if they have obtained knowledge of any Event of Default or Default, specifying the nature and period of existence thereof (provided that such accountants shall not be liable to anyone by reason of their failure to obtain knowledge of any such Event of Default or Default which would not be disclosed in the course of an audit conducted in accordance with generally accepted auditing standards).

The Company also covenants that forthwith upon any Responsible Officer obtaining knowledge of an Event of Default or Default, it will deliver to each Significant Holder an Officer's Certificate specifying the nature and period of existence thereof and what action the Company proposes to take with respect thereto.

5B. Inspection of Property. The Company covenants that it will permit any Person designated by any Significant Holder in writing, at such Significant Holder's expense, to visit and inspect any of the properties of the Company and its Subsidiaries, to examine the corporate books and financial records of the Company and its Subsidiaries and make copies thereof or extracts therefrom and to discuss the affairs, finances and accounts of any of such entities with the officers and directors of the Managing General Partner and the directors, officers and independent accountants of the Company, all at such reasonable times and as often as such Significant Holder may reasonably request.

5C. Covenant to Secure Note Equally. The Company covenants that, if it or any Subsidiary shall create or assume any Lien upon any of its property or assets, whether now owned or hereafter acquired, other than Liens permitted by the provisions of paragraph 6A(1) (unless prior written consent to the creation or assumption thereof shall have been obtained pursuant to paragraph 11C), it will make or cause to be made effective provision whereby the Notes will be secured by such Lien equally and ratably with any and all other Debt thereby secured so long as any such other Debt shall be so secured.

5D. Information Required by Rule 144A. The Company covenants that it will, upon the request of the holder of any Note, provide such holder, and any qualified institutional buyer designated by such holder, such financial and other information as such holder may reasonably determine to be necessary in order to permit compliance with the information requirements of Rule 144A under the Securities Act in connection with the resale of Notes, except at such times as the Company is subject to the reporting requirements of section 13 or 15(d) of the Exchange Act. For the purpose of this paragraph 5D, the term "qualified institutional buyer" shall have the meaning specified in Rule 144A under the Securities Act.

5E. Compliance With Environmental Laws. The Company will, and will cause each of its Subsidiaries to, comply in a timely fashion with, or operate pursuant to valid waivers of the provisions of, all Environmental Laws, except where noncompliance would not materially adversely affect the business, condition (financial or other) or operations of the Company and its Subsidiaries taken as a whole.

5F. Maintenance of Insurance. The Company covenants that it and each of its Subsidiaries will maintain insurance in such amounts and against such casualties, liabilities, risks, contingencies and hazards as is customarily maintained by other similarly situated companies operating similar businesses and, upon request of a Significant Holder, it will deliver an Officers' Certificate specifying the details of such insurance then in effect.

6. **NEGATIVE COVENANTS.** The provisions of this paragraph 6 shall remain in effect so long as any Note shall remain outstanding or any other amount shall be owing hereunder.

6A. **Lien, Debt and Other Restrictions.** The Company covenants that it will not and will not permit any Subsidiary to:

6A(1). **Liens.** Create, assume or suffer to exist any Lien upon any of its property or assets, whether now owned or hereafter acquired (whether or not provision is made for the equal and ratable securing of the Notes in accordance with the provisions of paragraph 5C), except

(i) Liens for taxes not yet due or which are being actively contested in good faith by appropriate proceedings,

(ii) other Liens incidental to the conduct of its business or the ownership of its property and assets which were not incurred in connection with the borrowing of money or the obtaining of advances or credit, and which do not in the aggregate materially detract from the value of its property or assets or materially impair the use thereof in the operation of its business,

(iii) subject to the limitation set forth in clause

(iii) of paragraph 6A(2), Liens on property or assets of a Subsidiary to secure obligations of such Subsidiary to the Company or another Subsidiary,

(iv) Liens consisting of Capitalized Leases if the Funded Debt represented by the related Capitalized Lease Obligations is permitted by paragraph 6A(2),

(v) any Lien existing on any property of any corporation at the time it becomes a Subsidiary, or existing prior to the time of acquisition upon any property acquired by the Company or any Subsidiary through purchase, merger or consolidation or otherwise, whether or not assumed by the Company or such Subsidiary, or placed upon property at the time of acquisition by the Company or any Subsidiary to secure all or a portion of (or to secure Debt incurred to pay all or a portion of) the purchase price thereof, provided that (a) such property is not and shall not thereby become encumbered in an amount in excess of 80% of the lesser of the cost thereof or the fair value (as determined in good faith by the board of directors of the Managing General Partner or the Company, as the case may be) thereof at the time such corporation becomes a Subsidiary or at the time of acquisition of such property by the Company or a Subsidiary, as the case may be, (b) any such Lien shall not encumber any other property (except related replacement parts) of the Company or such Subsidiary, and (c) the aggregate amount of Debt secured by all such Liens and any

Liens permitted by clause (iv) above and clause (vi) below at any one time outstanding shall be permitted by paragraph 6A(2), and

(vi) any Lien renewing, extending or refunding any Lien permitted by clause (v) above if the aggregate amount of Debt secured by all such Liens and any Lien permitted by clauses (iv) and (v) above at any one time outstanding shall be permitted by paragraph 6A(2), provided that the principal amount secured is not increased, and the Lien is not extended to other property;

6A(2). Debt. Create, incur, assume, guarantee, suffer to exist, or otherwise be or become directly or indirectly liable for, any Funded or Current Debt, except

(i) Funded Debt of the Company represented by the Notes,

(ii) Funded or Current Debt of any Subsidiary to the Company,

(iii) Funded or Current Debt of any Subsidiary to any other Subsidiary, provided that no Subsidiary shall become

liable for or suffer to exist any Debt permitted by this clause (iii) unless the Subsidiary to which such Debt is owed shall be free from any Debt to any Person other than the Company, and

(iv) other Debt of the Company or any Subsidiary; provided that (a) Consolidated Debt shall at no time exceed 70% of Gross Worth, (b) at all times during a period of at least forty-five consecutive days in each rolling twelve month period, Consolidated Debt shall not exceed 60% of Gross Worth and (c) Priority Debt shall at no time exceed 20% of Owners' Equity;

6A(3). Loans, Advances, Investments and Contingent Liabilities. Make or permit to remain outstanding any loan or advance to, or guarantee, endorse or otherwise be or become contingently liable, directly or indirectly, in connection with the obligations, stock, or dividends of, or own, purchase or acquire any stock, obligations or securities of, or any other interest in, or make or maintain any capital contribution to, any Person, except that the Company and its Subsidiaries may

(i) subject to paragraph 6A(2), make or permit to remain outstanding loans or advances to the Company or any Subsidiary,

(ii) subject to paragraph 6A(2), own, purchase or acquire stock, obligations or securities of a Subsidiary or

of a corporation which immediately after such purchase or acquisition will be a Subsidiary,

(iii) acquire and own stock, obligations or securities received in settlement of debts (created in the ordinary course of business) owing to the Company or any Subsidiary,

(iv) own, purchase or acquire commercial paper rated Prime-1 by Moody's Investors Service, Inc. or A-1 or better by Standard & Poor's Corporation on the date of acquisition and certificates of deposit of, bankers' acceptances issued by, and eurodollar deposits with United States commercial banks (having capital resources in excess of \$100,000,000, and, in the case of eurodollar deposits, issued by such bank through its head office or a branch office in London or Tokyo), in each case due within one year from the date of acquisition and payable in the United States in United States dollars, obligations of the United States Government or any agency thereof backed by the full faith and credit of the United States Government, obligations guaranteed by the United States Government, and repurchase agreements of such banks for terms of less than one year in respect of the foregoing certificates and obligations,

(v) endorse negotiable instruments for collection in the ordinary course of business,

(vi) guarantee or otherwise become directly or indirectly liable for Debt to the extent the Debt is permitted by paragraph 6A(2) (including, without limitation, the limitation on Priority Debt set forth therein),

(vii) make or permit to remain outstanding travel, relocation and other like advances to officers and employees in the ordinary course of business, and

(viii) make or permit to remain outstanding any loans or advances to, any guarantees for the benefit of, or any investments in, any Person not otherwise permitted by this paragraph 6A(3) up to an aggregate amount which shall not exceed the principal amount of \$10,000,000 at any one time outstanding;

6A(4). Sale of Stock and Debt of Subsidiaries. Except to the Company or a 75%-owned Subsidiary, sell or otherwise dispose of, or part with control of, any shares of stock or Debt of any

(i) Significant Subsidiary, or (ii) other Subsidiary, if at the time of such sale or other disposition, such other Subsidiary owns, directly or indirectly, any shares of stock or Debt of any Significant Subsidiary or any Debt of the Company;

6A(5). Merger and Sale of Assets. Merge or consolidate with any corporation or sell, lease, transfer or otherwise dispose, in any single transaction or series of related

transactions, of assets which shall have contributed 10% or more to Consolidated Pre-Tax Income for any of the three fiscal years then most recently ended, or assets whose aggregate fair value (as determined in good faith by the board of directors of the Managing General Partner or the Company, as the case may be) shall exceed 10% of Consolidated Net Assets, to any Person, except that

(i) any 75%-owned Subsidiary which is free from any Debt to any Person other than the Company may merge with any one or more other 75%-owned Subsidiaries which are free from any Debt to any Person other than the Company,

(ii) any Subsidiary may sell, lease, transfer or otherwise dispose of any of its assets to the Company or a 75%-owned Subsidiary,

(iii) any Subsidiary may sell or otherwise dispose of all or substantially all of its assets subject to the conditions specified in paragraph 6A(4) with respect to a sale of the stock of such Subsidiary,

(iv) the Company may enter into any merger in which it is the surviving entity, provided that no Default or Event of Default would exist immediately after giving effect thereto,

(v) the Company may, in the ordinary course of business, sell or otherwise dispose of (a) buildings and parcels of land not used in connection with the business of the Company or any Subsidiary and (b) vehicles, and

(vi) any Subsidiary may merge or consolidate with any other corporation, provided that, immediately after giving effect to such merger or consolidation, the continuing or surviving corporation of such merger or consolidation shall constitute a Subsidiary and no Default or Event of Default would exist;

6A(6). Transactions with Related Persons. Directly or indirectly, purchase, acquire or lease any property from, or sell, transfer or lease any property to, or otherwise deal with, in the ordinary course of business or otherwise, any Related Person, except (i) pursuant to the terms of the Partnership Agreement or (ii) on an arm's-length basis and on terms no less favorable to the Company and its Subsidiaries (as determined in good faith by the board of directors of the Managing General Partner or the Company, as the case may be) than terms which would have been obtainable from a Person other than a Related Person.

6B. Issuance of Stock by Subsidiaries. The Company covenants that it will not permit any Subsidiary (either

directly, or indirectly by the issuance of rights or options for, or securities convertible into, such shares or other equity interest) to issue, sell or otherwise dispose of any shares of any class of its stock or other equity interest (other than directors' qualifying shares) except to the Company or a 75%-owned Subsidiary.

7. EVENTS OF DEFAULT.

7A. Acceleration. If any of the following events shall occur and be continuing for any reason whatsoever (and whether such occurrence shall be voluntary or involuntary or come about or be effected by operation of law or otherwise):

(i) the Company defaults in the payment of any principal of or Yield-Maintenance Amount on any Note when the same shall become due, either by the terms thereof or otherwise as herein provided; or

(ii) the Company defaults in the payment of any interest on any Note for more than 10 days after the date due; or

(iii) the Company or any Subsidiary defaults in any payment of principal of or interest on any other obligation for money borrowed (or any Capitalized Lease Obligation, any obligation under a conditional sale or other title retention agreement, any obligation issued or assumed as full or partial payment for property whether or not secured by a purchase money mortgage or any obligation under notes payable or drafts accepted representing extensions of credit) beyond any period of grace provided with respect thereto, or the Company or any Subsidiary fails to perform or observe any other agreement, term or condition contained in any agreement under which any such obligation is created (or if any other event thereunder or under any such agreement shall occur and be continuing) and the effect of such failure or other event is to cause, or to permit the holder or holders of such obligation (or a trustee on behalf of such holder or holders) to cause, such obligation to become due (or to be repurchased by the Company or any Subsidiary) prior to any stated maturity, provided that the aggregate amount of all obligations as to which such a payment default shall occur and be continuing or such a failure or other event permitting acceleration (or sale to the Company or any Subsidiary) shall occur and be continuing exceeds \$5,000,000; or

(iv) any representation or warranty made by the Company herein or in any writing furnished in connection with or pursuant to this Agreement shall be false in any material respect on the date as of which made; or

(v) the Company fails to perform or observe any agreement contained in paragraph 6 hereof; or

(vi) the Company fails to perform or observe any other agreement, term or condition contained herein and such failure shall not be remedied within 30 days after any Responsible Officer has actual knowledge thereof; or

(vii) the Company or any Significant Subsidiary makes an assignment for the benefit of creditors or is generally not paying its debts as such debts become due; or

(viii) any decree or order for relief in respect of the Company or any Significant Subsidiary is entered under any bankruptcy, reorganization, compromise, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar law, whether now or hereafter in effect (herein called the "Bankruptcy Law"), of any jurisdiction; or

(ix) the Company or any Significant Subsidiary petitions or applies to any tribunal for, or consents to, the appointment of, or taking possession by, a trustee, receiver, custodian, liquidator or similar official of the Company or any Significant Subsidiary, or of any substantial part of the assets of the Company or any Significant Subsidiary, or commences a voluntary case under the Bankruptcy Law of the United States or any proceedings (other than proceedings for the voluntary liquidation and dissolution of a Subsidiary) relating to the Company or any Significant Subsidiary under the Bankruptcy Law of any other jurisdiction; or

(x) any such petition or application is filed, or any such proceedings are commenced, against the Company or any Significant Subsidiary and the Company or such Significant Subsidiary by any act indicates its approval thereof, consent thereto or acquiescence therein, or an order, judgment or decree is entered appointing any such trustee, receiver, custodian, liquidator or similar official, or approving the petition in any such proceedings, and such order, judgment or decree remains unstayed and in effect for more than 60 days; or

(xi) any order, judgment or decree is entered in any proceedings against the Company decreeing the dissolution of the Company and such order, judgment or decree remains unstayed and in effect for more than 60 days; or

(xii) any order, judgment or decree is entered in any proceedings against the Company or any Significant Subsidiary decreeing a split-up of the Company or such Significant Subsidiary which requires the divestiture of assets representing a substantial part, or the divestiture of the stock of a Significant Subsidiary whose assets represent a substantial part, of the consolidated assets of the Company and its Significant Subsidiaries (determined in

accordance with generally accepted accounting principles) or which requires the divestiture of assets, or stock of a Significant Subsidiary, which shall have contributed a substantial part of the consolidated net income of the Company and its Significant Subsidiaries (determined in accordance with generally accepted accounting principles) for any of the three fiscal years then most recently ended, and such order, judgment or decree remains unstayed and in effect for more than 60 days; or

(xiii) one or more final judgments for the payment of money, the uninsured portion of which in aggregate amount exceeds \$5,000,000, is rendered against the Company or any Subsidiary and, within 60 days after entry thereof, any such judgment is not discharged or execution thereof stayed pending appeal, or within 60 days after the expiration of any such stay, such judgment is not discharged; or

(xiv) the Company or any ERISA Affiliate, in its capacity as an employer under a Multiemployer Plan, makes a complete or partial withdrawal from such Multiemployer Plan resulting in the incurrence by such withdrawing employer of a withdrawal liability in an amount exceeding \$5,000,000;

then (a) if such event is an Event of Default specified in clause (i) or (ii) of this paragraph 7A, the holder of any Note (other than the Company or any of its Subsidiaries or Affiliates) may at its option, by notice in writing to the Company, declare such Note to be, and such Note shall thereupon be and become, immediately due and payable at par together with interest accrued thereon, without presentment, demand, protest or additional notice of any kind, all of which are hereby waived by the Company, (b) if such event is an Event of Default specified in clause (viii), (ix) or (x) of this paragraph 7A with respect to the Company, all of the Notes at the time outstanding shall automatically become immediately due and payable together with interest accrued thereon and together with the Yield-Maintenance Amount, if any, with respect to each Note, without presentment, demand, protest or notice of any kind, all of which are hereby waived by the Company, and (c) with respect to any event constituting an Event of Default hereunder, the Required Holder(s) of the Notes of any Series may at its or their option, by notice in writing to the Company, declare all of the Notes of such Series to be, and all of such Notes shall thereupon be and become, immediately due and payable together with interest accrued thereon and together with the Yield-Maintenance Amount, if any, with respect to each such Note, without presentment, demand, protest or additional notice of any kind, all of which are hereby waived by the Company.

7B. Notice of Acceleration. Whenever any Note shall be declared immediately due and payable pursuant to paragraph 7A the

Company shall forthwith give written notice thereof to the holder of each Note of each Series at the time outstanding.

7C. Other Remedies. If any Event of Default or Default shall occur and be continuing, the holder of any Note may proceed to protect and enforce its rights under this Agreement and such Note by exercising such remedies as are available to such holder in respect thereof under applicable law, either by suit in equity or by action at law, or both, whether for specific performance of any covenant or other agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement. No remedy conferred in this Agreement upon the holder of any Note is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy conferred herein or now or hereafter existing at law or in equity or by statute or otherwise.

8. REPRESENTATIONS, COVENANTS AND WARRANTIES. The Company represents, covenants and warrants as follows:

8A. Organization and Qualification. The Company is a limited partnership duly organized and existing in good standing under the laws of the State of Delaware, has the power to own its properties and to carry on its business as now being conducted and is duly qualified to do business as a foreign limited partnership and is in good standing in each jurisdiction in which the character of the properties owned or leased by it or the nature of the business transacted by it requires it to be so qualified under applicable law, except where the failure to be so qualified would not have a material adverse effect upon the Company. Each Subsidiary is a corporation duly organized and existing in good standing under the laws of its state of incorporation, has the corporate power to own its properties and to carry on its business as now being conducted and is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction in which the character of the properties owned or leased by it or the nature of the business transacted by it requires it to be so qualified under applicable law, except where the failure to be so qualified would not have a material adverse effect upon such Subsidiary. The Company has the power and authority to enter into, execute, deliver and perform this Agreement and the Notes; this Agreement constitutes the Company's valid and binding obligation; and each Note will upon its issuance constitute the Company's valid and binding obligation. The Partnership Agreement has been duly authorized, executed and delivered by the Partners, is a valid, legal and binding agreement of the Partners, and has been duly filed in all places where such filing is required.

8B. Financial Statements. The Company has furnished each Purchaser of any Accepted Notes with the following financial statements, identified by a principal financial officer of the Company: (i) consolidated balance sheets of the Company and its Subsidiaries as at the last day in each of the five fiscal years

of the Company most recently completed prior to the date as of which this representation is made or repeated to such Purchaser (other than fiscal years completed within 120 days prior to such date for which audited financial statements have not been released) and consolidated statements of income, partners' equity and cash flows of the Company and its Subsidiaries for each such year, reported on by Arthur Andersen & Co. (or, with respect to years subsequent to 1993, by Arthur Andersen & Co. or other independent public accountants of recognized national standing); and (ii) consolidated balance sheets of the Company and its Subsidiaries as at the end of the quarterly period (if any) most recently completed prior to such date and after the end of such fiscal year (other than quarterly periods completed within 60 days prior to such date for which financial statements have not been released) and the comparable quarterly period in the preceding fiscal year and consolidated statements of income, partners' equity and cash flows for (a) such quarterly periods and (b) the period of four consecutive fiscal quarters ended on the last day of such quarterly periods, prepared by the Company. Such financial statements (including any related schedules and/or notes) are true and correct in all material respects (subject, as to interim statements, to changes resulting from audits and normal year-end adjustments), have been prepared in accordance with generally accepted accounting principles consistently followed throughout the periods involved and show all liabilities, direct and contingent, of the Company and its Subsidiaries required to be shown in accordance with such principles. The balance sheets fairly present the condition of the Company and its Subsidiaries as at the dates thereof, and the statements of income, partners' equity and cash flows fairly present the results of the operations of the Company and its Subsidiaries for the periods indicated. There has been no material adverse change in the business, condition or operations (financial or otherwise) of the Company and its Subsidiaries taken as a whole since the end of the most recent fiscal year for which such audited financial statements have been furnished.

8C. Actions Pending. There are no actions, suits, investigations or proceedings pending or, to the knowledge of the elected officers of the Company or the Managing General Partner, threatened against the Company or any of its Subsidiaries, or any properties or rights of the Company or any of its Subsidiaries, by or before any court, arbitrator or administrative or governmental body which individually or in aggregate might result in any material adverse change in the business, condition or operations of the Company and its Subsidiaries taken as a whole.

8D. Outstanding Debt. Neither the Company nor any of its Subsidiaries has outstanding any Debt except as permitted by paragraph 6A(2). There exists no default under the provisions of any instrument evidencing such Debt or of any agreement relating thereto.

8E. Title to Properties. The Company has and each of its Subsidiaries has good and marketable title to its respective real properties (other than properties which it leases) and good title to all of its other respective properties and assets, including the properties and assets reflected in the most recent audited balance sheet referred to in paragraph 8B (other than properties and assets disposed of in the ordinary course of business), subject to no Lien of any kind except Liens permitted by paragraph 6A(1). All leases necessary in any material respect for the conduct of the business of the Company and its Subsidiaries taken as a whole are valid and subsisting and are in full force and effect.

8F. Taxes. The Company has and each of its Subsidiaries has filed all Federal, State and other income tax returns which, to the best knowledge of the elected officers of the Company or the Managing General Partner, are required to be filed, and each has paid all taxes as shown on such returns and on all assessments received by it to the extent that such taxes have become due, except such taxes as are being contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with generally accepted accounting principles.

8G. Conflicting Agreements and Other Matters. Neither the Company nor any of its Subsidiaries is a party to any contract or agreement or subject to any partnership agreement, charter or other partnership or corporate restriction which materially and adversely affects the business (as presently conducted), property, assets or financial condition of the Company and its Subsidiaries taken as a whole. Neither the execution nor delivery of this Agreement or the Notes, nor the offering, issuance and sale of the Notes, nor fulfillment of nor compliance with the terms and provisions hereof and of the Notes will conflict with, or result in a breach of the terms, conditions or provisions of, or constitute a default under, or result in any violation of, or result in the creation of any Lien upon any of the properties or assets of the Company or any of its Subsidiaries pursuant to, the Partnership Agreement or the charter, by-laws or code of regulations of any Subsidiaries, any award of any arbitrator or any agreement (including any agreement with Partners or stockholders), instrument, order, judgment, decree, statute, law, rule or regulation to which the Company or any of its Subsidiaries is a party or otherwise subject. Neither the Company nor any of its Subsidiaries is a party to, or otherwise subject to any provision contained in, any instrument evidencing Indebtedness of the Company or any Subsidiary, any agreement relating thereto or any other contract or agreement (including the Partnership Agreement and, in the case of any Subsidiary, its charter) which limits the amount of, or otherwise imposes restrictions on the incurring of, Debt of the Company of the type to be evidenced by the Notes except (i) as of the date of this Agreement, as set forth in the agreements listed in Exhibit E attached hereto and (ii) as of any date subsequent to

the date of this Agreement when this representation is repeated, as set forth in the agreements listed in Exhibit E or as theretofore disclosed to Prudential in a writing which by its terms modifies Exhibit E.

8H. Offering of Notes. Neither the Company nor any agent acting on its behalf has, directly or indirectly, offered the Notes or any similar security of the Company for sale to, or solicited any offers to buy the Notes or any similar security of the Company from, or otherwise approached or negotiated with respect thereto with, any Person other than institutional investors, and neither the Company nor any agent acting on its behalf has taken or will take any action which would subject the issuance or sale of the Notes to the provisions of section 5 of the Securities Act or to the provisions of any securities of Blue Sky law of any applicable jurisdiction.

8I. Regulation G, etc. Neither the Company nor any Subsidiary will, directly or indirectly, use any of the proceeds of the sale of the Notes for the purpose, whether immediate, incidental or ultimate, of buying a "margin stock" or of maintaining, reducing or retiring any indebtedness originally incurred to purchase a stock that is currently a "margin stock", or for any other purpose which might constitute any purchase and sale of Notes hereunder a "purpose credit", in each case within the meaning of Regulation G of the Board of Governors of the Federal Reserve System (12 C.F.R. 207, as amended). Neither the Company nor any agent acting on its behalf has taken or will take any action which might cause this Agreement or the Notes to violate Regulation G, Regulation T or any other regulation of the Board of Governors of the Federal Reserve System or to violate the Securities Exchange Act of 1934, as amended, in each case as in effect now or as the same may hereafter be in effect.

8J. ERISA. No accumulated funding deficiency (as defined in section 302 of ERISA and section 412 of the Code), whether or not waived, exists with respect to any Plan (other than a Multiemployer Plan). No liability to the Pension Benefit Guaranty Corporation has been or is expected by the Company or any ERISA Affiliate to be incurred with respect to any Plan (other than a Multiemployer Plan) by the Company or any Subsidiary or any ERISA Affiliate which is or would be materially adverse to the Company and its Subsidiaries taken as a whole. Neither the Company, any Subsidiary nor any ERISA Affiliate has incurred or presently expects to incur any withdrawal liability under Title IV of ERISA with respect to any Multiemployer Plan which is or would be materially adverse to the Company and its Subsidiaries taken as a whole. The execution and delivery of this Agreement and the issuance and sale of the Notes will not involve any transaction which is subject to the prohibitions of section 406 of ERISA or in connection with which a tax could be imposed pursuant to section 4975 of the Code. The representation by the Company in the next preceding sentence is made in reliance upon and subject to the accuracy of the representation in

paragraph 9B as to the source of the funds to be used to pay the purchase price of the Notes to be purchased.

8K. Governmental Consent. Neither the nature of the Company or of any Subsidiary, nor any of their respective businesses or properties, nor any relationship between the Company or any Subsidiary and any other Person, nor any circumstance in connection with the offering, issuance, sale or delivery of the Notes is such as to require any authorization, consent, approval, exemption or other action by or notice to or filing with any court or administrative or governmental body (other than routine filings after the date of closing with the Securities and Exchange Commission and/or state Blue Sky authorities) in connection with the execution and delivery of this Agreement, the offering, issuance, sale or delivery of the Notes or fulfillment of or compliance with the terms and provisions hereof or of the Notes.

8L. Environmental Compliance. The Company and its Subsidiaries are in substantial compliance with any and all Environmental Laws including, without limitation, all Environmental Laws in all jurisdictions in which any of them owns or operates, or has owned or operated, a facility or site, arranges or has arranged for disposal or treatment of hazardous substances, solid waste or other wastes, accepts or has accepted for transport any hazardous substances, solid waste or other wastes or holds or has held any interest in real property or otherwise. No material litigation or proceeding arising under, relating to or in connection with any Environmental Law is pending or, to the best knowledge of the Company, threatened against the Company or any Subsidiary, any real property in which any thereof holds or has held an interest or any past or present operation of any thereof. No release, threatened release or disposal of hazardous waste, solid waste or other wastes is occurring, or has occurred, on, under or to any real property in which the Company or any Subsidiary holds any interest or performs any of its operations, in violation of any Environmental Law the violation of which could reasonably be expected to have a material adverse effect on the Company or its Subsidiaries. As used in this paragraph, "litigation or proceeding" means any demand, claim, notice, suit, suit in equity, action, administrative action, investigation or inquiry whether brought by any governmental authority, private person or entity or otherwise, and "material" means the measure of a matter or matters the exposure with respect to which individually or together with all other matters described exceeds or can reasonably be expected to exceed \$2,500,000.

8M. Investment Company Status. Neither the Company nor any Subsidiary is an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended or an "investment adviser" within the meaning of the Investment Advisers Act of 1940, as amended.

8N. Disclosure. Neither this Agreement nor any other document, certificate or statement furnished to any Purchaser by or on behalf of the Company in connection herewith contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading. There is no fact peculiar to the Company or any of its Subsidiaries which materially adversely affects or in the future may (so far as the Company can now foresee) materially adversely affect the business, property, assets or financial condition of the Company and its Subsidiaries taken as a whole and which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to any Purchaser by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby.

8O. Hostile Tender Offers. None of the proceeds of the sale of any Notes will be used to finance a Hostile Tender Offer.

9. REPRESENTATIONS OF THE PURCHASERS.

Each Purchaser represents as follows:

9A. Nature of Purchase. Such Purchaser is not acquiring the Notes purchased by it hereunder with a view to or for sale in connection with any distribution thereof within the meaning of the Securities Act, provided that the disposition of such Purchaser's property shall at all times be and remain within its control.

9B. Source of Funds. No part of the funds used by such Purchaser to pay the purchase price of the Notes purchased by such Purchaser hereunder constitutes assets allocated to any separate account maintained by such Purchaser in which any employee benefit plan, other than employee benefit plans identified on a list which has been furnished by such Purchaser to the Company, participates to the extent of 10% or more. For the purpose of this paragraph 9B, the terms "separate account" and "employee benefit plan" shall have the respective meanings specified in section 3 of ERISA.

10. DEFINITIONS. For the purpose of this Agreement, the terms defined in the text of any paragraph shall have the respective meanings specified therein, and the following terms shall have the meanings specified with respect thereto below:

10A. Yield-Maintenance Terms.

"Business Day" shall mean any day other than a Saturday, a Sunday or a day on which commercial banks in New York City are required or authorized to be closed.

"Called Principal" shall mean, with respect to any Note, the principal of such Note that is to be prepaid pursuant to

paragraph 4B (any partial prepayment being applied in satisfaction of required payments of principal in inverse order of their scheduled due dates) or is declared to be immediately due and payable pursuant to paragraph 7A, as the context requires.

"Discounted Value" shall mean, with respect to the Called Principal of any Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (as converted to reflect the periodic basis on which interest on such Note is payable, if interest is payable other than on a semi-annual basis) equal to the Reinvestment Yield with respect to such Called Principal.

"Reinvestment Yield" shall mean, with respect to the Called Principal of any Note, .50% plus the yield to maturity implied by (i) the yields reported, as of 10:00 A.M. (New York City local time) on the Business Day next preceding the Settlement Date with respect to such Called Principal, on the display designated as "Page 678" on the Telerate Service (or such other display as may replace Page 678 on the Telerate Service) for actively traded U.S. Treasury securities having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date, or if such yields shall not be reported as of such time or the yields reported as of such time shall not be ascertainable, (ii) the Treasury Constant Maturity Series yields reported, for the latest day for which such yields shall have been so reported as of the Business Day next preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (519) (or any comparable successor publication) for actively traded U.S. Treasury securities having a constant maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. Such implied yield shall be determined, if necessary, by (a) converting U.S. Treasury bill quotations to bond-equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between reported yields.

"Remaining Average Life" shall mean, with respect to the Called Principal of any Note, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) each Remaining Scheduled Payment of such Called Principal (but not of interest thereon) by (b) the number of years (calculated to the nearest one-twelfth year) which will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

"Remaining Scheduled Payments" shall mean, with respect to the Called Principal of any Note, all payments of such Called

Principal and interest thereon that would be due on or after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date.

"Settlement Date" shall mean, with respect to the Called Principal of any Note, the date on which such Called Principal is to be prepaid pursuant to paragraph 4B or is declared to be immediately due and payable pursuant to paragraph 7A, as the context requires.

"Yield-Maintenance Amount" shall mean, with respect to any Note, an amount equal to the excess, if any, of the Discounted Value of the Called Principal of such Note over the sum of (i) such Called Principal plus (ii) interest accrued thereon as of (including interest due on) the Settlement Date with respect to such Called Principal. The Yield-Maintenance Amount shall in no event be less than zero.

10B. Other Terms.

"Acceptance" shall have the meaning specified in paragraph 2B(5).

"Acceptance Day" shall have the meaning specified in paragraph 2B(5).

"Acceptance Window" shall have the meaning specified in paragraph 2B(5).

"Accepted Note" shall have the meaning specified in paragraph 2B(5).

"Affiliate" shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with such first Person. A Person shall be deemed to control another Person if such first Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise.

"Authorized Officer" shall mean (i) in the case of the Company, the chief executive officer, the chief financial officer and the treasurer of the Company or the Managing General Partner, as well as any vice president thereof designated as an "Authorized Officer" in the Information Schedule attached hereto or any vice president thereof designated as an "Authorized Officer" for the purpose of this Agreement in an Officer's Certificate executed by the Company's or Managing General Partner's chief executive officer or chief financial officer and delivered to Prudential, and (ii) in the case of Prudential, any officer of Prudential designated as its "Authorized Officer" in the Information Schedule or any officer of Prudential designated

as its "Authorized Officer" for the purpose of this Agreement in a certificate executed by one of its Authorized Officers. Any action taken under this Agreement on behalf of the Company by any individual who on or after the date of this Agreement shall have been an Authorized Officer of the Company or the Managing General Partner and whom Prudential in good faith believes to be an Authorized Officer of the Company or the Managing General Partner at the time of such action shall be binding on the Company even though such individual shall have ceased to be an Authorized Officer of the Company or the Managing General Partner, and any action taken under this Agreement on behalf of Prudential by any individual who on or after the date of this Agreement shall have been an Authorized Officer of Prudential, and whom the Company in good faith believes to be an Authorized Officer of Prudential at the time of such action shall be binding on Prudential even though such individual shall have ceased to be an Authorized Officer of Prudential.

"Available Facility Amount" shall have the meaning specified in paragraph 2B(1).

"Bankruptcy Law" shall have the meaning specified in clause (viii) of paragraph 7A.

"Cancellation Date" shall have the meaning specified in paragraph 2B(8)(iii).

"Cancellation Fee" shall have the meaning specified in paragraph 2B(8)(iii).

"Capitalized Lease" shall mean any lease if the obligation to make rental payments thereunder constitutes a Capitalized Lease Obligation.

"Capitalized Lease Obligation" shall mean any rental obligation which, under generally accepted accounting principles, is or will be required to be capitalized on the books of the Company or any Subsidiary, taken at the amount thereof accounted for as indebtedness (net of interest expense) in accordance with such principles.

"Closing Day" for any Accepted Note shall mean the Business Day specified for the closing of the purchase and sale of such Note in the Request for Purchase of such Note, provided that (i) if the Company and the Purchaser which is obligated to purchase such Note agree on an earlier Business Day for such closing, the "Closing Day" for such Accepted Note shall be such earlier Business Day, and (ii) if the closing of the purchase and sale of such Accepted Note is rescheduled pursuant to paragraph 2B(7), the Closing Day for such Accepted Note, for all purposes of this Agreement except paragraph 2B(8)(ii), shall mean the Rescheduled Closing Day with respect to such Closing.

"Code" shall mean the Internal Revenue Code of 1986, as

amended.

"Confirmation of Acceptance" shall have the meaning specified in paragraph 2B(5).

"Consolidated Debt" shall mean, as of any time of determination thereof, the sum of (i) Debt of the Company and Subsidiaries determined on a consolidated basis and (ii) to the extent in excess of \$5,000,000, Debt of the Company owed to Subsidiaries.

"Consolidated Net Assets" shall mean, as of any time of determination thereof, with respect to the Company and Subsidiaries on a consolidated basis, their assets less, without duplication, all of their (i) current liabilities, (ii) asset, liability, contingency and other appropriate reserves, including reserves for depreciation and amortization expense and for deferred income taxes and (iii) other liabilities.

"Consolidated Pre-Tax Income" shall mean, for any period, the consolidated gross revenues of the Company and its Subsidiaries less all operating and nonoperating expenses of the Company and its Subsidiaries including current additions to reserves and all other charges of a proper character except current and deferred taxes on income, but not including in gross revenues any gains (nor in expenses any expenses or taxes applicable thereto) in excess of losses resulting from the sale, conversion or other disposition of capital assets (i.e., assets other than current assets), any gains resulting from the write-up of assets, any equity of the Company or any Subsidiary in the unremitted earnings of any corporation which is not a Subsidiary, any earnings of any Person acquired by the Company or any Subsidiary through purchase, merger or consolidation or otherwise for any year prior to the year of acquisition, or any deferred credit representing the excess of equity in any Subsidiary at the date of acquisition over the cost of the investment in such Subsidiary.

"Current Debt" shall mean, with respect to any Person, all Indebtedness of such Person for borrowed money which by its terms or by the terms of any instrument or agreement relating thereto matures on demand or within one year from the date of the creation thereof and is not directly or indirectly renewable or extendible at the option of the debtor to a date more than one year from the date of the creation thereof, provided that Indebtedness for borrowed money outstanding under a revolving credit or similar agreement which obligates the lender or lenders to extend credit over a period of more than one year shall constitute Funded Debt and not Current Debt, even though such Indebtedness by its terms matures on demand or within one year from the date of the creation thereof.

"Debt" shall mean Funded Debt and Current Debt.

"Delayed Delivery Fee" shall have the meaning specified in paragraph 2B(8)(ii).

"Environmental Laws" shall mean all federal, state, local and foreign laws relating to pollution or protection of the environment, including laws relating to emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes into the environment (including without limitation ambient air, surface water, ground water, or land), or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes, and any and all rules, regulations, codes, plans, orders, decrees, judgments, injunctions, notices or demand letters issued, entered, promulgated or approved thereunder.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" shall mean any corporation which is a member of the same controlled group of corporations as the Company within the meaning of section 414(b) of the Code, or any trade or business which is under common control with the Company within the meaning of section 414(c) of the Code.

"Event of Default" shall mean any of the events specified in paragraph 7A, provided that there has been satisfied any requirement in connection with such event for the giving of notice, or the lapse of time, or the happening of any further condition, event or act, and "Default" shall mean any of such events, whether or not any such requirement has been satisfied.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Facility" shall have the meanings specified in paragraph 2B(1).

"Facility Fee" shall have the meaning specified in paragraph 2B(8)(i).

"Funded Debt" shall mean with respect to any Person, all Indebtedness of such Person which by its terms or by the terms of any instrument or agreement relating thereto matures, or which is otherwise payable or unpaid, more than one year from, or is directly or indirectly renewable or extendible at the option of the debtor to a date more than one year (including an option of the debtor under a revolving credit or similar agreement obligating the lender or lenders to extend credit over a period of more than one year) from, the date of the creation thereof.

"General Partners" shall mean collectively, the Managing General Partner and the Special General Partner, which are the

general partners of the Company, and any Person substituted for or who succeeds either of them as a general partner pursuant to the terms of the Partnership Agreement, in each case in such capacity.

"Gross Worth" shall mean, as of any time of determination thereof, the sum of Owners' Equity and Consolidated Debt.

"Guarantee" shall mean, with respect to any Person, any direct or indirect liability, contingent or otherwise, of such Person with respect to any indebtedness, lease, dividend or other obligation of another, including, without limitation, any such obligation directly or indirectly guaranteed, endorsed (otherwise than for collection or deposit in the ordinary course of business) or discounted or sold with recourse by such Person, or in respect of which such Person is otherwise directly or indirectly liable, including, without limitation, any such obligation in effect guaranteed by such Person through any agreement (contingent or otherwise) to purchase, repurchase or otherwise acquire such obligation or any security therefor, or to provide funds for the payment or discharge of such obligation (whether in the form of loans, advances, stock purchases, capital contributions or otherwise), or to maintain the solvency or any balance sheet or other financial condition of the obligor of such obligation, or to make payment for any products, materials or supplies or for any transportation or service, regardless of the non-delivery or non-furnishing thereof, in any such case if the purpose or intent of such agreement is to provide assurance that such obligation will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such obligation will be protected against loss in respect thereof. The amount of any Guarantee shall be equal to the outstanding principal amount of the obligation guaranteed or such lesser amount to which the maximum exposure of the guarantor shall have been specifically limited.

"Hedge Treasury Note(s)" shall mean, with respect to any Accepted Note, the United States Treasury Note or Notes whose duration (as determined by Prudential) most closely matches the duration of such Accepted Note.

"Hostile Tender Offer" shall mean, with respect to the use of proceeds of any Note, any offer to purchase, or any purchase of, shares of capital stock of any corporation or equity interests in any other entity, or securities convertible into or representing the beneficial ownership of, or rights to acquire, any such shares or equity interests, if such shares, equity interests, securities or rights are of a class which is publicly traded on any securities exchange or in any over-the-counter market, other than purchases of such shares, equity interests, securities or rights representing less than 5% of the equity interests or beneficial ownership of such corporation or other entity for portfolio investment purposes, and such offer or purchase has not been duly approved by the board of directors of

such corporation or the equivalent governing body of such other entity prior to the date on which the Company makes the Request for Purchase of such Note.

"Indebtedness" shall mean, with respect to any Person, without duplication, (i) all items (excluding deferred compensation, items of contingency reserves and reserves for deferred income taxes) which in accordance with generally accepted accounting principles would be included in determining total liabilities as shown on the liability side of a balance sheet of such Person as of the date on which Indebtedness is to be determined, (ii) all indebtedness secured by any Lien on any property or asset owned or held by such Person subject thereto, whether or not the indebtedness secured thereby shall have been assumed, and (iii) all indebtedness of others with respect to which such Person has become liable by way of Guarantee.

"Issuance Period" shall have the meaning specified in paragraph 2B(2).

"Lien" shall mean any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, any lease in the nature thereof, and the filing of or agreement to give any financing statement under the Uniform Commercial Code of any jurisdiction) or any other type of preferential arrangement for the purpose, or having the effect, of protecting a creditor against loss or securing the payment or performance of an obligation.

"Limited Partner" shall mean any Person who is or shall become a limited partner of the Company, in such capacity.

"Managing General Partner" shall mean Cedar Fair Management Company, an Ohio corporation, and its successors and assigns.

"Multiemployer Plan" shall mean any Plan which is a "multiemployer plan" (as such term is defined in section 4001(a)(3) of ERISA).

"Note" and "Notes" shall have the meaning specified in paragraph 1.

"Officer's Certificate" shall mean a certificate signed in the name of the Company by an Authorized Officer of the Company.

"Owners' Equity" shall mean, as of any time of determination thereof, the partners' equity or shareholders' equity (as the case may be) of the Company.

"Partner" shall mean any General Partner or any Limited Partner.

"Partnership Agreement" shall mean the Third Amended and

Restated Agreement of Limited Partnership of the Company, dated as of April 21, 1987, among Cedar Fair Management Company, Robert L. Munger, Jr., as General Partners, and the limited partners named therein, as the same has been and may be amended or supplemented from time to time.

"Person" shall mean and include an individual, a partnership, a joint venture, a corporation, a trust, an unincorporated organization and a government or any department or agency thereof.

"Plan" shall mean any "employee pension benefit plan" (as such term is defined in section 3 of ERISA) which is or has been established or maintained, or to which contributions are or have been made, by the Company or by any trade or business, whether or not incorporated which, together with the Company, is under common control, as described in section 414(b) or (c) of the Code.

"Priority Debt" shall mean, as of any time of determination thereof, (i) Debt of any Subsidiary, other than Debt owed to the Company or another Subsidiary and (ii) Debt of the Company secured by any Lien.

"Prudential" shall mean The Prudential Insurance Company of America.

"Prudential Affiliate" shall mean any corporation or other entity all of the Voting Stock (or equivalent voting securities or interests) of which is owned by Prudential either directly or through Prudential Affiliates.

"Purchaser(s)" shall mean Prudential and each Prudential Affiliate as purchaser of any Note.

"Related Person" shall mean (i) any General Partner, (ii) any Person owning 10% or more of the depositary units representing limited partnership interests in the Company or
(iii) any Affiliate of any Person described in clause (i) or (ii).

"Request for Purchase" shall have the meaning specified in paragraph 2B(3).

"Required Holder(s)" shall mean the holder or holders of at least 51% of the aggregate principal amount of the Notes or of a Series of Notes, as the context may require, from time to time outstanding.

"Rescheduled Closing Day" shall have the meaning specified in paragraph 2B(7).

"Responsible Officer" shall mean the chief executive officer, chief operating officer, treasurer, chief financial

officer or chief accounting officer of the Company, general counsel of the Company or any other officer of the Company involved principally in its financial administration or its controllership function.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Series" shall have the meaning specified in paragraph 1.

"Significant Holder" shall mean (i) Prudential and any other Purchaser, so long as Prudential or such Purchaser shall hold (or be committed under this Agreement to purchase) any Note, or (ii) any other holder of at least 5% of the aggregate principal amount of any Series of Notes from time to time outstanding.

"Significant Subsidiary" shall mean any Subsidiary of the Company or any of its Subsidiaries, (i) having assets which shall have contributed 10% or more of Consolidated Pre-Tax Income for any of the three fiscal years then most recently ended, (ii) having assets whose aggregate fair value (as determined in good faith by the board of directors of the Managing General Partner or the Company, as the case may be) shall exceed 10% of the Consolidated Net Assets or (iii) the sale of which shall have a material adverse effect on the Company.

"Special General Partner" shall mean CF Partners, a Delaware general partnership, and its successors and assigns.

"Subsidiary" shall mean any corporation or partnership the majority of the stock of every class of which, except directors' qualifying shares, or the majority of equity interest in which shall, at the time as of which any determination is being made, be owned by the Company either directly or through Subsidiaries and "75%-owned Subsidiary" shall mean any corporation or partnership 75% of the stock of every class of which, except directors' qualifying shares, or 75% of the equity interest in which shall, at the time as of which any determination is being made, be owned by the Company either directly or through a 75%- owned Subsidiary.

"Transferee" shall mean any direct or indirect transferee of all or any part of any Note purchased under this Agreement.

"Voting Stock" shall mean, with respect to any corporation, any shares of stock of such corporation whose holders are entitled under ordinary circumstances to vote for the election of directors of such corporation (irrespective of whether at the time stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

10C. Accounting Principles, Terms and Determinations. All references in this Agreement to "generally accepted accounting

principles" shall be deemed to refer to generally accepted accounting principles in effect in the United States at the time of application thereof. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all determinations with respect to accounting matters hereunder shall be made, and all financial statements and certificates and reports as to financial matters required to be furnished hereunder shall be prepared, in accordance with generally accepted accounting principles applied, in the case of any such unaudited financial statements, certificates and reports, on a basis consistent with the most recent audited consolidated financial statements of the Company and its Subsidiaries delivered pursuant to clause (ii) of paragraph 5A or, if no such statements have been so delivered, the most recent audited financial statements referred to in clause (i) of paragraph 8B.

11. MISCELLANEOUS.

11A. Note Payments. The Company agrees that, so long as any Purchaser shall hold any Note, it will make payments of principal thereof and Yield-Maintenance Amount, if any, and interest thereon, which comply with the terms of this Agreement, by wire transfer of immediately available funds for credit to (i) the account or accounts as specified in the purchaser schedule attached to the applicable Confirmation of Acceptance or (ii) such other account or accounts in the United States as any Purchaser may designate in writing, notwithstanding any contrary provision herein or in any Note with respect to the place of payment. Each Purchaser agrees that, before disposing of any Note, it will make a notation thereon (or on a schedule attached thereto) of all principal payments previously made thereon and of the date to which interest thereon has been paid. The Company agrees to afford the benefits of this paragraph 11A to any Transferee which shall have made the same agreement as you have made in this paragraph 11A.

11B. Expenses. The Company agrees, whether or not the transactions contemplated hereby shall be consummated, to pay, and save each Purchaser and any Transferee harmless against liability for the payment of, all out-of-pocket expenses arising in connection with such transactions, including (i) all document production and duplication charges and the fees and expenses of any special counsel engaged by the Purchasers or any Transferee in connection with this Agreement, the transactions contemplated hereby and any subsequent proposed modification of, or proposed consent under, this Agreement, whether or not such proposed modification shall be effected or proposed consent granted, and (ii) the costs and expenses, including attorneys' fees, incurred by each Purchaser or any Transferee in enforcing (or in determining whether or in what manner to enforce) any rights under this Agreement or the Notes or in responding to any subpoena or other legal process issued in connection with this Agreement or the transactions contemplated hereby or by reason of any Purchaser's or any Transferee's having acquired any Note,

including without limitation costs and expenses incurred in any bankruptcy case. The obligations of the Company under this paragraph 11B shall survive the transfer of any Note or portion thereof or interest therein by any Purchaser or any Transferee and the payment of any Note.

11C. Consent to Amendments. This Agreement may be amended, and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, if the Company shall obtain the written consent to such amendment, action or omission to act, of the Required Holder(s) of the Notes of each Series except that, (i) with the written consent of the holders of all Notes of a particular Series, and if an Event of Default shall have occurred and be continuing, of the holders of all Notes of all Series, at the time outstanding (and not without such written consents), the Notes of such Series may be amended or the provisions thereof waived to change the maturity thereof, to change or affect the principal thereof, or to change or affect the rate or time of payment of interest or Yield-Maintenance Amount payable with respect to the Notes of such Series, (ii) without the written consent of the holder or holders of all Notes at the time outstanding, no amendment to or waiver of the provisions of this Agreement shall change or affect the provisions of paragraph 7A or this paragraph 11C insofar as such provisions relate to proportions of the principal amount of the Notes of any Series, or the rights of any individual holder of Notes, required with respect to any declaration of Notes to be due and payable or with respect to any consent, (iii) with the written consent of Prudential (and not without the written consent of Prudential) the provisions of paragraph 2 may be amended or waived (except insofar as any such amendment or waiver would affect any rights or obligations with respect to the purchase and sale of Notes which shall have become Accepted Notes prior to such amendment or waiver) and (iv) with the written consent of all of the Purchasers which shall have become obligated to purchase Accepted Notes of any Series (and not without the written consent of all such Purchasers), any of the provisions of paragraphs 2 and 3 may be amended or waived insofar as such amendment or waiver would affect only rights or obligations with respect to the purchase and sale of the Accepted Notes of such Series or the terms and provisions of such Accepted Notes. Each holder of any Note at the time or thereafter outstanding shall be bound by any consent authorized by this paragraph 11C, whether or not such Note shall have been marked to indicate such consent, but any Notes issued thereafter may bear a notation referring to any such consent. No course of dealing between the Company and the holder of any Note nor any delay in exercising any rights hereunder or under any Note shall operate as a waiver of any rights of any holder of such Note. As used herein and in the Notes, the term "this Agreement" and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

11D. Form, Registration, Transfer and Exchange of Notes;

Lost Notes. The Notes are issuable as registered notes without coupons in denominations of at least \$1,000,000, except as may be necessary to reflect any principal amount not evenly divisible by \$1,000,000. The Company shall keep at its principal office a register in which the Company shall provide for the registration of Notes and of transfers of Notes. Upon surrender for registration of transfer of any Note at the principal office of the Company, the Company shall, at its expense, execute and deliver one or more new Notes of like tenor and of a like aggregate principal amount, registered in the name of such transferee or transferees. At the option of the holder of any Note, such Note may be exchanged for other Notes of like tenor and of any authorized denominations, of a like aggregate principal amount, upon surrender of the Note to be exchanged at the principal office of the Company. Whenever any Notes are so surrendered for exchange, the Company shall, at its expense, execute and deliver the Notes which the holder making the exchange is entitled to receive. Every Note surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer duly executed, by the holder of such Note or such holder's attorney duly authorized in writing. Any Note or Notes issued in exchange for any Note or upon transfer thereof shall carry the rights to unpaid interest and interest to accrue which were carried by the Note so exchanged or transferred, so that neither gain nor loss of interest shall result from any such transfer or exchange. Upon receipt of written notice from the holder of any Note of the loss, theft, destruction or mutilation of such Note and, in the case of any such loss, theft or destruction, upon receipt of such holder's unsecured indemnity agreement, or in the case of any such mutilation upon surrender and cancellation of such Note, the Company will make and deliver a new Note, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Note.

11E. Persons Deemed Owners; Participations. Prior to due presentment for registration of transfer, the Company may treat the Person in whose name any Note is registered as the owner and holder of such Note for the purpose of receiving payment of principal of and Yield-Maintenance Amount, if any, and interest on such Note and for all other purposes whatsoever, whether or not such Note shall be overdue, and the Company shall not be affected by notice to the contrary. Subject to the preceding sentence, the holder of any Note may from time to time grant participations in all or any part of such Note to any Person on such terms and conditions as may be determined by such holder in its sole and absolute discretion.

11F. Survival of Representations and Warranties; Entire Agreement. All representations and warranties contained herein or made in writing by or on behalf of the Company in connection herewith shall survive the execution and delivery of this Agreement and the Notes, the transfer by any Purchaser of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any Transferee, regardless of

any investigation made at any time by or on behalf of any Purchaser or any Transferee. Subject to the preceding sentence, this Agreement and the Notes embody the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersede all prior agreements and understandings relating to the subject matter hereof.

11G. Successors and Assigns. All covenants and other agreements in this Agreement contained by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto (including, without limitation, any Transferee) whether so expressed or not.

11H. Notices. All written communications provided for hereunder (other than communications provided for under paragraph 2) shall be sent by first class mail or nationwide overnight delivery service (with charges prepaid) and (i) if to any Purchaser, addressed as specified for such communications in the purchaser schedule attached to the applicable Confirmation of Acceptance, or at such other address as any Purchaser shall have specified to the Company in writing, (ii) if to any other holder of any Note, addressed to such other holder at such address as such other holder shall have specified to the Company in writing or, if any such other holder shall not have so specified an address to the Company, then addressed to such other holder in care of the last holder of such Note which shall have so specified an address to the Company, and (iii) if to the Company, addressed to it at Cedar Fair, L.P., One Causeway Drive, P.O. Box 5006, Sandusky, Ohio 44871, Attention: Chief Financial Officer, or at such other address as the Company shall have specified to the holder of each Note in writing. Any communication pursuant to paragraph 2 shall be made by the method specified for such communication in paragraph 2, and shall be effective to create any rights or obligations under this Agreement only if, in the case of a telephone communication, an Authorized Officer of the party conveying the information and of the party receiving the information are parties to the telephone call, and in the case of a telecopier communication, the communication is signed by an Authorized Officer of the party conveying the information, addressed to the attention of an Authorized Officer of the party receiving the information, and in fact received at the telecopier terminal the number of which is set forth on the Information Schedule attached hereto or at such other telecopier terminal as the party receiving the information shall have specified in writing to the party sending such information.

11I. Descriptive Headings. The descriptive headings of the several paragraphs of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

11J. Satisfaction Requirement. If any agreement, certificate or other writing, or any action taken or to be taken, is by the terms of this Agreement required to be satisfactory to

any Purchaser, to any holder of Notes or to the Required Holder(s), the determination of such satisfaction shall be made by such Purchaser, such holder or the Required Holder(s), as the case may be, in the sole and exclusive judgment (exercised in good faith) of the Person or Persons making such determination.

11K. Payments Due on Non-Business Days. Anything in this Agreement or the Notes to the contrary notwithstanding, any payment of principal of or interest on any Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day. If the date for any payment is extended to the next succeeding Business Day by reason of the preceding sentence, the period of such extension shall be included in the computation of the interest payable on such Business Day.

11L. Limited Liability of Partners. Anything in this Agreement or the Notes to the contrary notwithstanding, no recourse under or in respect of this Agreement or the Notes shall be had against any Partner, shareholder of a Partner or partner of a Partner by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of statute or otherwise, whether based on agency, deputation or otherwise, it being expressly agreed that no personal liability whatsoever shall attach to or be incurred by the Partners, shareholders of Partners or partners of Partners or any of them under or by reason of this Agreement or the Notes; provided that the foregoing limitation of liability shall in no way constitute a limitation on the right of the holders of the Notes to enforce their remedies against the Company's assets for the collection of amounts due and owing under the Notes or any other obligation of the Company contemplated by this Agreement. Each of the Notes shall contain a statement to the effect that the obligations of the Partners are limited as provided in this paragraph 11L.

11M. Independence of Covenants. All covenants hereunder shall be given independent effect so that if a particular action or condition is prohibited by any one of such covenants, the fact that it would be permitted by an exception to, or otherwise be in compliance within the limitations of, another covenant shall not avoid the occurrence of a Default or Event of Default if such action is taken or such condition exists.

11N. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

11O. Governing Law. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the internal law of the State of Illinois.

11P. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

11Q. Binding Agreement. When this Agreement is executed and delivered by the Company and Prudential, it shall become a binding agreement between the Company and Prudential. This Agreement shall also inure to the benefit of each other Purchaser which shall have executed and delivered a Confirmation of Acceptance, and each such other Purchaser shall be bound by this Agreement to the extent provided in such Confirmation of Acceptance.

Very truly yours,

CEDAR FAIR, L.P.

**By: CEDAR FAIR MANAGEMENT COMPANY,
Managing General Partner**

By: Bruce A. Jackson
Its: Vice President - Finance

The foregoing Agreement is
hereby accepted as of the
date first above written.

**THE PRUDENTIAL INSURANCE COMPANY
OF AMERICA**

By: Jeffrey L. Dickson
Title: Vice President

CEDAR FAIR, L.P.

SERIES A

SENIOR NOTE

No. A-1

ORIGINAL PRINCIPAL AMOUNT: \$50,000,000

ORIGINAL ISSUE DATE: August 24, 1994

INTEREST RATE: 8.43%

INTEREST PAYMENT DATES: February 24 and August 24 of each year

FINAL MATURITY DATE: August 24, 2006

PRINCIPAL PREPAYMENT DATES AND AMOUNTS: \$10,000,000 on August 24 of each year, commencing August 24, 2002 and through and including August 24, 2005

FOR VALUE RECEIVED, the undersigned, Cedar Fair, L.P. (herein called the "Company"), a limited partnership organized and existing under the laws of the State of Delaware, hereby promises to pay to The Prudential Insurance Company of America, or registered assigns, the principal sum of FIFTY MILLION DOLLARS, payable on the Principal Prepayment Dates and in the amounts specified above, and on the Final Maturity Date specified above in an amount equal to the unpaid balance of the principal hereof, with interest (computed on the basis of a 360-day year-- 30-day month) (a) on the unpaid balance thereof at the Interest Rate per annum specified above, payable on each Interest Payment Date specified above and on the Final Maturity Date specified above, commencing with the Interest Payment Date next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) on any overdue payment (including any overdue prepayment) of principal, any overdue payment of Yield- Maintenance Amount (as defined in the Agreement referenced below) and any overdue payment of interest, payable on each Interest Payment Date as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (i) 2% plus the Interest Rate specified above or (ii) 2% plus the rate of interest publicly announced by Morgan Guaranty Trust Company of New York from time to time in New York City as its Prime Rate.

Payments of principal, Yield-Maintenance Amounts, if any, and interest are to be made at the main office of Morgan Guaranty Trust Company of New York in New York City or at such other place as the holder hereof shall designate to the Company in writing, in lawful money of the United States of America.

This Note is one of a series of Senior Notes (herein called the "Notes") issued pursuant to a Private Shelf Agreement, dated as of August 24, 1994 (herein called the "Agreement"), between the Company, on the one hand, and The Prudential Insurance Company of America and each Prudential Affiliate (as defined in the Agreement) which becomes a party thereto, on the other hand, and is entitled to the benefits thereof. As provided in the Agreement, this Note is subject to prepayment, in whole or from time to time in part, in some cases without the Yield-Maintenance Amount and in other cases with the Yield-Maintenance Amount (if any) specified in the Agreement.

This Note is a registered Note and, as provided in the Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company shall not be affected by any notice to the contrary.

In case an Event of Default, as defined in the Agreement, shall occur and be continuing, the principal of this Note may be declared or otherwise become due and payable in the manner and with the effect provided in the Agreement.

The obligations of the Partners (as defined in the Agreement) with respect to this Note are limited as provided in paragraph 11L of the Agreement.

This Note is intended to be performed in the State of Illinois and shall be construed and enforced in accordance with the internal law of such State.

CEDAR FAIR, L.P.

**By: CEDAR FAIR MANAGEMENT COMPANY,
Managing General Partner**

By: Bruce A. Jackson
Title: Vice President - Finance

ARTICLE 5

MULTIPLIER: 1,000

PERIOD TYPE	3 MOS	12 MOS
FISCAL YEAR END	DEC 31 1993	DEC 31 1993
PERIOD START	JUN 27 1994	OCT 04 1993
PERIOD END	OCT 02 1994	OCT 02 1994
CASH	5930	5930
SECURITIES	0	0
RECEIVABLES	7868	7868
ALLOWANCES	0	0
INVENTORY	3126	3126
CURRENT ASSETS	18031	18031
PP&E	299293	299293
DEPRECIATION	98937	98937
TOTAL ASSETS	229948	229948
CURRENT LIABILITIES	40995	40995
BONDS	50000	50000
COMMON	133035	133035
PREFERRED MANDATORY	0	0
PREFERRED	0	0
OTHER SE	5918	5918
TOTAL LIABILITY AND EQUITY	229948	229948
SALES	142053	198229
TOTAL REVENUES	142053	198229
CGS	14571	21083
TOTAL COSTS	68836	130039
OTHER EXPENSES	(524)	(2124)
LOSS PROVISION	0	0
INTEREST EXPENSE	2354	7399
INCOME PRETAX	71387	62915
INCOME TAX	0	0
INCOME CONTINUING	71387	62915
DISCONTINUED	0	0
EXTRAORDINARY	0	0
CHANGES	0	0
NET INCOME	71387	62915
EPS PRIMARY	3.17	2.80
EPS DILUTED	3.17	2.80

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